

Chapter 3

Section 3.09

Ministry of Children, Community and Social Services

Ontario Disability Support Program

1.0 Summary

The Ontario Disability Support Program (ODSP) is a social assistance program under the Ministry of Children, Community and Social Services (Ministry) created to meet the unique needs of people with disabilities. The program provides income support, including health and other benefits, for Ontarians with disabilities who are in financial need. An employment-support program is also available to ODSP recipients to help them prepare for, obtain, or maintain a job so that they can live as independently as possible. In 2018/19, the Ministry provided ODSP income support to more than 510,000 individuals comprising recipients and their qualifying family members.

To be eligible for ODSP income support, applicants must first demonstrate financial need by providing evidence that their assets and income levels do not exceed specified amounts. Applicants whose income and assets do not exceed these limits are then assessed to determine whether they have a medical condition that meets the definition of a disability under the *Ontario Disability Support Program Act, 1997* (ODSP Act). As of March 2019, the most prevalent primary disabilities among ODSP recipients were mental illnesses (psychoses or neuroses) and developmental disabilities, which accounted for 39% and 18% of all disabilities,

respectively. The proportion of Ontarians on ODSP is 2.5% of the population, which is the highest rate among all Canadian provinces' disability programs.

The Ministry delivers ODSP directly through its front-line staff in 47 local offices. The Ministry also contracts with approximately 150 service providers to deliver ODSP employment supports across the province.

Since our last audit of ODSP in 2009, the cost of the program has increased by approximately 75% from \$3.1 billion to approximately \$5.4 billion in 2018/19. A significant contributing factor to the program's rising cost is the increase in the number of individuals and families receiving ODSP. Since 2008/09, the average monthly number of ODSP cases—a single individual or a family unit—has increased by 50%; in contrast, the population in Ontario has increased by just 12% over this same time frame. However, despite this significant increase to the caseload and program cost, we found that the Ministry has not investigated or studied the key reasons for caseload growth to identify whether corrective action in its delivery and administration of the program is needed.

Overall, our audit found that the Ministry's systems and processes are not effective to ensure that only eligible applicants qualify for the program and receive income support. In addition, the Ministry lacks processes to review recipients' continued eligibility for the program. The financial eligibility of most recipients is not periodically reassessed

to determine whether recipients continue to be eligible for ODSP benefits, which can lead to overpayments. We found that most of the overpayments made to ODSP recipients that we reviewed occurred because recipients had not reported changes in their circumstances that affect their eligibility. Since the time of our last audit, the Ministry has overpaid recipients nearly \$1.1 billion and written off approximately \$400 million in overpayments. Providing funding to ineligible individuals limits the province's ability to better support the needs of those who are eligible.

In addition, we found that in 2018/19 over 40% of ODSP applicants were confirmed as disabled by the Ministry after a cursory review of their application, a 56% increase from the time of our last audit. As well, 80% of applicants found to be disabled were approved for benefits for life without setting a future medical review to confirm they still meet the definition of a person with a disability, compared with 51% at the time of our last audit. In particular, the increase was sharpest from 2015/16 onward as illustrated in **Figure 18**. Despite the impact on program costs associated with these increases, the Ministry does not currently have a quality assurance process to assess the appropriateness of disability approval decisions, and decisions on whether to assign a medical review date. We also found, based on our own review, that the rationales for these decisions were not always sufficiently detailed or clear. Given that people with disabilities experience a wide range of challenges, it makes sense that ODSP should be simple and accessible, but it does not make sense to abdicate common sense reviews to ensure that only those that require assistance from this program receive it.

We also found that the employment outcomes of individuals on the program are not improving. Fewer than 2% of disabled adults are referred annually to the Ministry's employment supports, and most dependent family members who are not disabled are not participating in mandatory employment assistance activities. This reduces the likelihood of these individuals obtaining employ-

ment and reducing their family's financial dependence on ODSP.

The following are some of our specific concerns about the Ministry's delivery and administration of ODSP:

- **Caseworkers often do not complete required third-party checks to confirm applicants are financially eligible for ODSP.** At three of the four local ODSP offices we visited, we found that caseworkers frequently did not use information from third-party sources, such as tax return information from the Canada Revenue Agency (CRA), and credit information from Equifax Canada Inc. (Equifax), to confirm that financial information declared by ODSP applicants was complete and accurate. Caseworkers did not carry out one or more of the mandatory Equifax and CRA checks in the majority of the files we reviewed.
- **Financially ineligible recipients may transfer from Ontario Works to ODSP.** In 2018/19, approximately 62% of all financial eligibility applications granted ODSP were processed by Ontario Works offices. Our audit found that Ontario Works caseworkers did not carry out the required third-party verification checks with both Equifax and the CRA in between 23% and 100% of the files we reviewed to verify applicant income and assets prior to transferring the file to ODSP. In addition, at all four ODSP offices visited, the ODSP caseworkers did not subsequently carry out at least one of these two required third-party checks to make sure that the individual or family unit was financially eligible for ODSP prior to issuing income support payments.
- **Over 40% of ODSP applicants are confirmed to be disabled after a cursory review of their application, representing a 56% increase from the time of our last audit.** The Ministry determined these applicants to be disabled and to qualify for ODSP

through its triage process, which is an expedited process intended to be a cursory review of a completed application to determine whether the medical evidence clearly identifies that an applicant is disabled. Despite the significance of this increase, the Ministry has not analyzed the reasons for the increase to ensure these decisions are appropriate and made in accordance with the ODSP Act.

- **The Ministry has no process to assess the appropriateness of disability approval decisions, despite significant differences between adjudicators.** We found that while one adjudicator who reviewed almost 4,200 applications in 2018/19 through the triage process approved just 20% of ODSP applications, two adjudicators, including an adjudicator who reviewed over 500 applications, approved all of them. These differences are concerning because the Ministry does not have a process to review the appropriateness and consistency of decisions between adjudicators and to take corrective action where these differences are not reasonable. In 2014, the Ministry stopped completing adjudication file reviews to ensure adjudicator decisions are appropriate and in line with the ODSP Act and Ministry policies.
- **Adjudicators' rationale for disabled decisions are not always clear, resulting in a lack of transparency and accountability for the taxpayer.** We reviewed a sample of applications confirmed to be disabled and found that in almost 20% of the approved applications we reviewed it was not clear from the application and the adjudicator's rationale how the applicant met the definition of a person with a disability. One such example included an applicant with two listed conditions: fibromyalgia and vertigo. The documentation in the application did not support that the applicant had substantial impairments, and included documentation from a health-care professional that concluded there was no diagnosis of vertigo. The adjudicator's rationale did not explain why the applicant was approved in the absence of substantial impairments.
- **The Ministry rarely sets medical reviews that are required by legislation, which has resulted in the majority of approved applicants confirmed as disabled for life.** Across all stages of adjudication, the number of approved disability applications that were not assigned a medical review date and, instead, approved as disabled for life, increased from 51% at the time of our last audit in 2009 to 80% in 2018/19.
- **Adjudication decisions without medical review dates are not always fully supported.** Our review of a sample of adjudication decisions made at the triage and regular stage of adjudication identified that in over 40% of the cases we reviewed it was not clear how the adjudicator made the decision that no medical review was required.
- **Ministry guidelines for setting medical reviews are not consistent with the regulations under the ODSP Act.** We found that the Ministry's adjudication framework in relation to setting medical reviews is not consistent with regulations under the ODSP Act and requires the adjudicator to do more to conclude that a medical review is required than it is to conclude that one is not.
- **Similar to our last audit of ODSP 10 years ago, the Social Benefits Tribunal (Tribunal) continues to overturn about 60% of the Ministry's not-disabled decisions appealed to the Tribunal.** We also found that the rate of overturning Ministry decisions at the Tribunal varied from as low as 28% for one member to 93% in the case of another member. Senior representatives from Tribunals Ontario, which oversees the Tribunal, informed us that the decision whether to uphold or overturn the Ministry's decision on disability lies solely with the

Tribunal member who conducted the hearing, and there is no internal review of decisions for quality or consistency.

- **Ineligible recipients likely remain on ODSP because caseworkers rarely assess recipients' ongoing eligibility.** At the four ODSP offices we visited, we reviewed a sample of recipient cases that had been on the ODSP caseload for several years. We found that in 58% to 100% of the files we reviewed, the recipient's information had not been reviewed for at least five years to confirm their continued financial eligibility for ODSP. In addition, we found that caseworkers had not been in touch with recipients for over two years in 22% to 50% of the files we reviewed. As of September 2019, caseworkers had suspended or terminated six of the cases we reviewed after they looked into the recipients' circumstances and established overpayments in these cases totalling approximately \$107,000.
 - **The Ministry did not carry out eligibility verifications required by its directives to identify overpayments and remove ineligible recipients from the program.** Between April 2015 and March 2019, the Ministry carried out only about 8,300 eligibility verifications instead of the over 508,000 it should have performed according to its directives. Based on the level of overpayments identified in the cases it completed in 2017/18 (which were selected at random) we calculated that the Ministry might have identified a further \$375 million in overpayments and terminated a further 11,700 cases, leading to annual savings of approximately \$165 million.
 - **Approximately 42,000 fraud allegations have not been investigated on time, and caseworkers are not trained to investigate fraud to ensure only eligible recipients are receiving income support.** We also found that 60% of the allegations were over one year old. Timely reviews of these allegations
- are critical to identifying and minimizing overpayments. We found that it had been nearly 10 years since the last time the Ministry had provided training to caseworkers on how to investigate fraud.
- **About 19,000 medical reviews of recipients are overdue, increasing the risk that income support payments are being made to individuals who no longer medically qualify for ODSP.** According to Ministry data, more than half of the 19,000 medical reviews are more than two years overdue.
 - **Non-disabled adults are not participating in required Ontario Works employment assistance activities to progress toward obtaining employment.** As of March 2019, approximately 57,000 non-disabled adults in family units were on the ODSP caseload. According to Ministry data, 75% were not participating in employment assistance activities as required. We reviewed a sample of these adults and found that the primary reason they were not participating was because the ODSP caseworker had not referred them to Ontario Works for employment assistance activities.
 - **The Ministry has little information on whether employment support service providers help ODSP recipients to obtain long-term employment.** We found that the Ministry does not track whether recipients who have participated in employment support services and obtained a job have maintained employment consecutively, or in the same job to assess whether recipients are obtaining sustainable, long-term employment. In addition, we noted that an evaluation commissioned by the Ministry in 2012 highlighted that just 1.5% of ODSP recipients who participated in the employment supports program were able to exit from ODSP because their employment earnings were high enough that they no longer qualified financially for assistance. The Ministry report also found that just over 20% who participated in employment support

services worked for more than 12 months over a 33-month period.

This report contains 19 recommendations, with 52 action items, to address our audit findings.

Overall Conclusion

Our audit concluded that the Ministry of Children, Community and Social Services does not have effective systems and procedures in place to ensure that only eligible recipients receive income support and that recipients are receiving the employment supports they need. We found that the Ministry was not taking sufficient steps to ensure that all recipients continue to be eligible for the program and that non-disabled adults are participating in required Ontario Works employment assistance activities. Our audit also concluded that the Ministry does not have effective processes and systems in place to measure, evaluate and publicly report on the effectiveness of the Ontario Disability Support Program.

OVERALL MINISTRY RESPONSE

The Ministry of Community, Children and Social Services (Ministry) welcomes the observations and recommendations of the Auditor General.

Through the Ontario Disability Support Program (ODSP), the Ministry provides income and employment supports to people experiencing significant health and disability challenges. The Ministry recognizes the need for improvements to program delivery, which includes addressing the recommendations of the Auditor General to ensure the effective stewardship of public funds, while striving to provide service that is respectful, responsive and person-centred.

In response to the long-term trend of increasing caseloads, the Ministry intends to focus on the reduction of its administrative workload through process improvements and digital solutions, along with the implementation of risk-based approaches, to maximize the effectiveness of available resources in delivering the program

in a way that respects recipients and ensures program integrity.

The Ministry has recently created the Social Assistance Performance and Accountability Branch in order to provide the Ministry and our partners with a central focal point for program accountability and to help ensure that the design and delivery of social assistance meets program objectives, achieves performance expectations and is accountable to Ontario's taxpayers.

To help ODSP recipients to increase their economic independence, a concern also raised by the Auditor General, the government is introducing a new employment services system that is locally responsive and easy to use, and helps all job seekers, including people with disabilities, find and keep work. The Employment Services Transformation will integrate Ontario Works and ODSP employment programs into the Ministry of Labour, Training and Skills Development—Employment Ontario to create one efficient system that is easy to use and supports all job seekers.

2.0 Background

In Ontario, social assistance is provided by the Ministry of Children, Community and Social Services (Ministry) under two programs:

- Ontario Works—for unemployed or under-employed people in temporary financial need; and
- Ontario Disability Support Program—intended to help people with eligible disabilities live as independently as possible and to reduce or eliminate disability-related barriers to employment.

In 2018/19, these two programs provided social assistance to approximately 615,000 individuals as well as to their qualifying family members for a total of 960,000 people a month, on average.

Approximately 60% of these individuals received assistance through the Ontario Disability Support Program (ODSP) and 40% from Ontario Works. Total provincial transfer payments for these two programs totalled \$8.4 billion in 2018/19, which accounted for 5.2% of total provincial expenditures. Transfer payments for ODSP, the subject of this audit, were approximately \$5.4 billion in 2018/19.

2.1 Overview of ODSP

ODSP is governed by the *Ontario Disability Support Program Act, 1997* (ODSP Act) and its regulations. Under the ODSP Act, the purpose of the program is to provide income support and employment support to eligible persons with disabilities, effectively serve people with disabilities who need assistance and to be accountable to the taxpayers of Ontario.

To be eligible for assistance, applicants must demonstrate financial need by providing evidence that their income and asset levels are below specified amounts (see **Section 2.2.1**). Applicants whose income and assets do not exceed these limits are then assessed to determine whether they have a medical condition that meets the definition of a disability under the ODSP Act (see **Section 2.2.2**), or qualify as a member of a prescribed class, such as individuals who are 65 years old or over and ineligible for Old Age Security.

If an applicant qualifies for ODSP and becomes a recipient, they become eligible to receive ODSP income supports (see **Section 2.3**) and employment supports (see **Section 2.4**).

2.1.1 Roles and Responsibilities for ODSP

Approximately 2,200 staff within the Ministry's Social Assistance Program Division, Business Intelligence and Practice Division and Strategic Policy Division are involved in the administration and the delivery of ODSP through 47 Ministry local offices. **Appendix 1** shows the ODSP organizational structure and **Appendix 2** lists the Ministry's local offices by region.

The Ministry's role and responsibilities in the administration and delivery of ODSP include:

- developing options for any changes to the legislative and regulatory framework;
- setting policy directives, guidelines and standards for service quality and delivery to support the delivery of ODSP in accordance with legislation and its regulations;
- determining initial and ongoing eligibility for the program;
- providing eligible recipients with income, and employment supports;
- detecting fraud, and identifying and recovering overpayments;
- program oversight and monitoring; and
- performance measurement and reporting.

2.1.2 Number of Ontarians Receiving Income Support

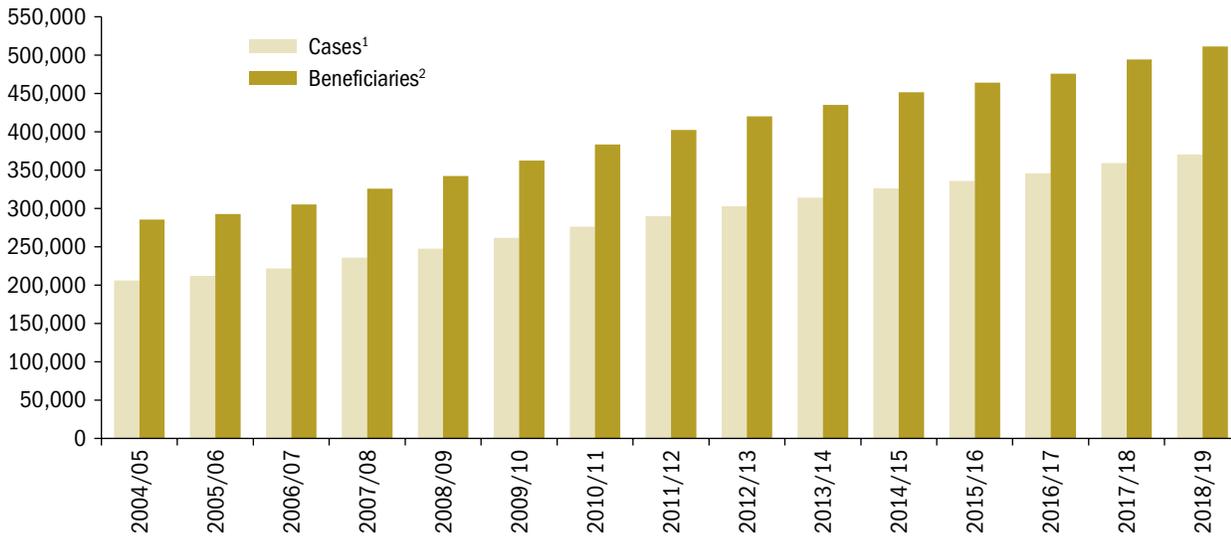
Since our last audit of the program in 2009, the average number of ODSP cases has increased by 50% from approximately 247,500 in 2008/09 to 370,700 in 2018/19. Similarly, the number of beneficiaries (recipients and their dependents) has also increased by about 50% from approximately 342,100 in 2008/09 to 511,200 in 2018/19. Over this same period, the population in Ontario increased by approximately 12%. **Figure 1** illustrates the average number of ODSP cases and beneficiaries between 2004/05 and 2018/19.

Figure 2 compares the rate by which ODSP cases and beneficiaries have increased relative to the rate that Ontario's population increased by between 2004/05 and 2018/19.

Since 2008/09, the average monthly caseload has been growing by about 4% per year on average. **Appendix 3** shows the local offices with the highest and lowest caseload growth relative to provincial growth rate. Caseload growth occurs when the number of cases receiving ODSP income support exceeds the number of cases exiting the program. In addition, many people on ODSP do not leave until they become eligible for federal seniors' benefits. As

Figure 1: Average Monthly Cases and Beneficiaries, 2004/05–2018/19

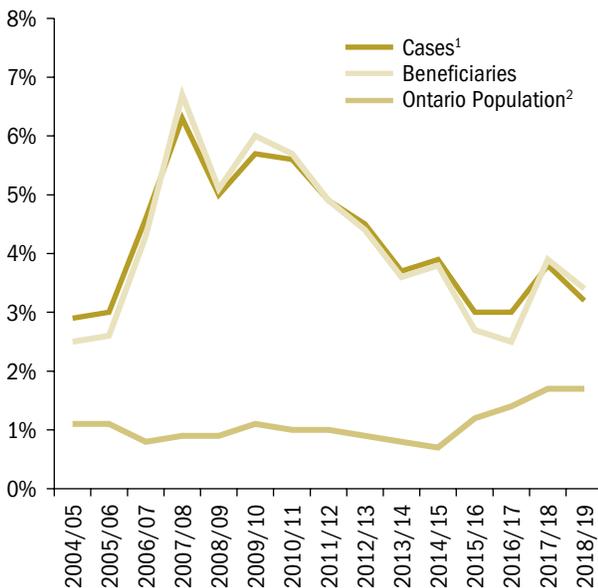
Source of data: Ministry of Children, Community and Social Services



1. A case refers to a single disabled recipient or a single family unit on the Ontario Disability Support Program.
2. The number of beneficiaries refers to the total number of disabled recipients plus their dependents (for example, spouse, children under age 18 and dependent adult children).

Figure 2: Yearly Percentage Change in Caseload, Beneficiaries and Ontario Population, 2004/05–2018/19

Sources of data: Ministry of Children, Community and Social Services and Statistics Canada



1. The Ministry advised us that the Ontario Disability Support Program caseload experienced a steep increase in fiscal year 2006/07 as the Ministry implemented operational initiatives to reduce the backlog of 14,000 applications awaiting adjudication as of the end of fiscal 2005/06. This resulted in applications granted at a faster pace than normal, causing the spike in the year-over-year caseload growth.
2. Ontario population data is based on July 1 population estimates (most recent data available) from Statistics Canada.

of March 2019, the average length of time a single individual or family unit has been in receipt of ODSP income support is 10 years.

2.1.3 Provincial Cost of ODSP

The total provincial cost of the program has increased by 75% (excluding administration) from \$3.1 billion in 2008/09 to \$5.4 billion in 2018/19, as illustrated in **Figure 3**. Key reasons for the increase include:

- a 50% increase in the number of recipients and beneficiaries, as described in **Section 2.1.2**;
- income support rate increases over this period of time; and
- an increase in the percentage of income support costs payable solely by the province from 80% in 2008 to 100% in 2011 (the change was already identified and set to take place at the time of our last audit; previously, municipalities covered a percentage of the program costs).

Figure 3: Provincial Cost of Ontario Disability Support Program (ODSP), 2008/09–2018/19 (\$ billion)

Source of data: Ministry of Children, Community and Social Services

	Income Support	Employment Supports ^{1,2}	Administration ³	Total	Annual Increase (%)
2008/09	3.025	0.033	0.247	3.305	–
2009/10	3.294	0.031	0.246	3.571	8
2010/11	3.536	0.031	0.264	3.831	7
2011/12	3.795	0.031	0.270	4.096	7
2012/13	4.029	0.029	0.259	4.317	5
2013/14	4.166	0.031	0.274	4.471	4
2014/15	4.383	0.034	0.284	4.701	5
2015/16	4.591	0.036	0.327	4.954	5
2016/17	4.809	0.037	0.287	5.133	4
2017/18	5.070	0.039	0.300	5.409	5
2018/19	5.325	0.039	0.294	5.658	5

1. The Ministry of Children, Community and Social Services (Ministry) negotiates annual contracts with approximately 150 individual service providers that provide employment supports to ODSP recipients. These contracts include targets for job placement and job retention, and the Ministry compensates service providers according to the achievement of these targets. See **Section 2.4** for further details.
2. Between April 2014 and March 2018, ODSP employment supports, employment benefits, and the costs associated with allowing recipients an employment earnings exemption under ODSP income support were cost-shared with the federal government under the Canada-Ontario Labour Market Agreement for Persons with Disabilities (LMAPD). The maximum annual contribution by the federal government was \$76.4 million, which is not limited to ODSP. Beginning in April 2018, the LMAPD was replaced by the Canada-Ontario Workforce Development Agreement (WDA). Under the WDA, the federal government's maximum contribution for persons with disabilities continues to be \$76.4 million.
3. Costs reflect administration costs for both Ontario Works and ODSP. Although the Ministry advised us that the vast majority of these costs relate to ODSP, it does not track the costs of administering each program separately.

2.2 Eligibility for ODSP

An applicant's eligibility for ODSP income support is determined in accordance with the eligibility criteria set out in the *Ontario Disability Support Program Act, 1997* (ODSP Act) and its regulations.

To be eligible for ODSP, an applicant must:

- live in Ontario, and be a Canadian citizen or be legally entitled to reside in Canada permanently;
- be in financial need, with assets no greater than the limits set out in regulations under the ODSP Act (see **Section 2.2.1**); and
- be assessed as a “person with a disability” under the ODSP Act (see **Section 2.2.2**), or qualify as a member of a prescribed class.

An applicant's financial eligibility for the program must be confirmed before they can apply to be assessed as a person with a disability under the ODSP Act. **Figure 4** shows the steps in the ODSP application process, including the appeal of appli-

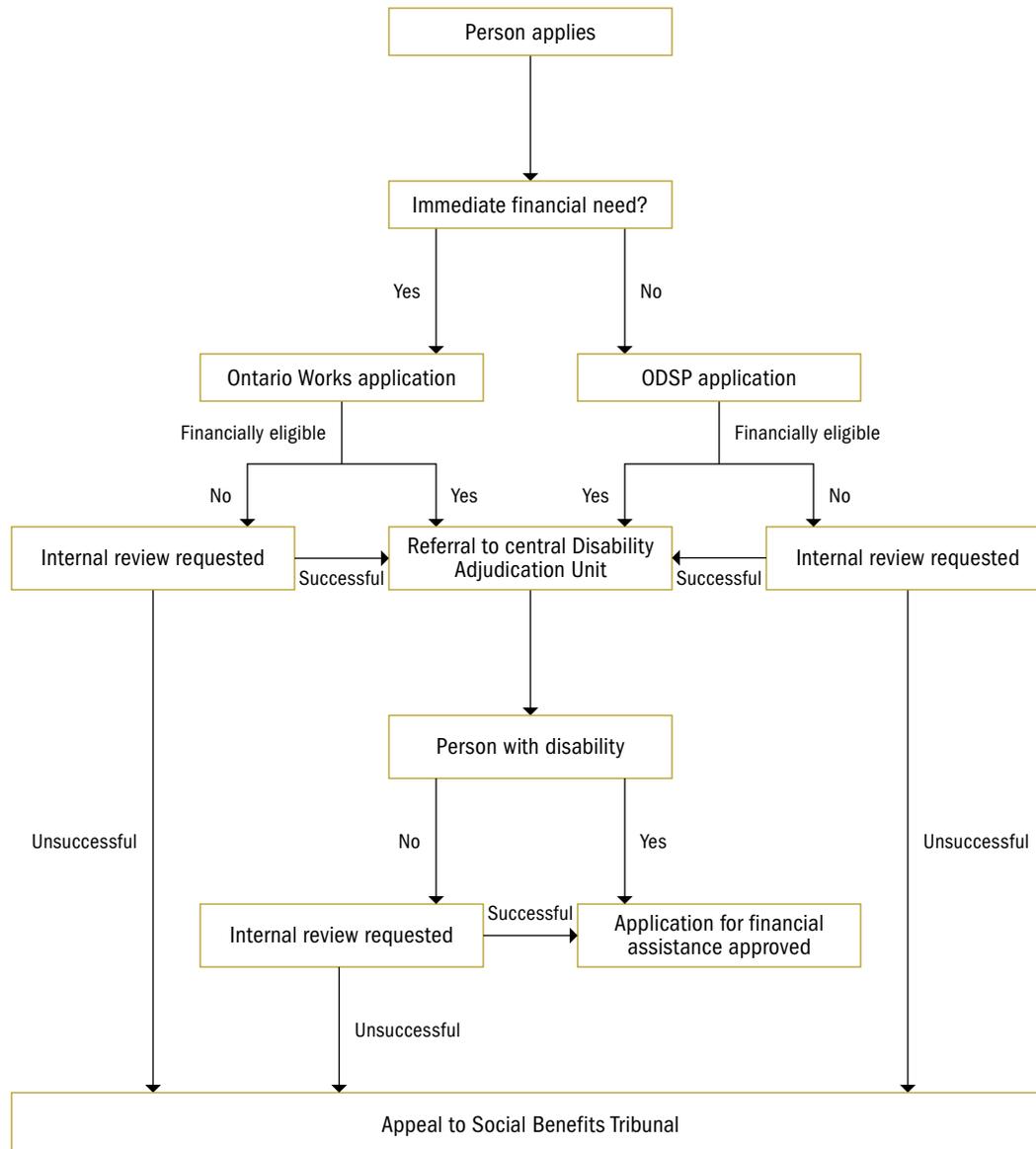
cations rejected by the Ministry. ODSP caseworkers based in Ministry local offices across Ontario are responsible for assessing the financial eligibility of applicants (see **Section 2.2.1**). Disability Determination Adjudicators (adjudicators) that are located in the Ministry's corporate office are responsible for assessing whether applicants meet the definition of a person with a disability under the ODSP Act (see **Section 2.2.2**). **Appendix 4** includes the number of caseworkers and adjudicators, as well as their key responsibilities and required experience.

2.2.1 Financial Eligibility

Individuals can begin the process of applying for ODSP online, or by contacting one of the 47 local ODSP offices across the province by telephone or in person. As illustrated in **Figure 4**, people who deem themselves to be in immediate financial need can apply to Ontario Works for financial assistance,

Figure 4: Ontario Disability Support Program (ODSP) Application Process

Source of data: Ministry of Children, Community and Social Services



which is granted more quickly than ODSP. These individuals can then transfer to ODSP once it is established that they have an eligible disability under the ODSP Act.

If the applicant is not in immediate financial need, a caseworker at the applicant's local ODSP office will start their application by assessing their financial eligibility. The assessment of financial eligibility takes into account an applicant's as well as their dependent family members' assets and

income from all sources. See **Appendix 5** for asset and income limits and exemptions.

To verify the accuracy and completeness of eligibility-related information provided by applicants, the Ministry has a policy that requires caseworkers to carry out Canada Revenue Agency income verification and an Equifax asset verification checks (see **Figure 5**). Caseworkers also complete other third-party checks if these are relevant to the applicant's circumstances.

Figure 5: Third-Party Verification Checks

Source of data: Ministry of Children, Community and Social Services

Third-Party Organization	Reason for Verification
Canada Revenue Agency (CRA)	Income verification ¹
Equifax Canada	Asset verification ²
Ministry of Transportation	Vehicle ownership verification (where there has been a history of vehicle ownership or changes in address).
Employment Insurance	Identification of employment insurance benefits (where there has been a history of employment).
Ontario Student Assistance Program (OSAP)	Identification of OSAP assistance (where a member of the benefit unit is attending or has attended post-secondary school).

1. An income verification with CRA compares the income an applicant declares with their tax return information.
2. An asset verification with Equifax identifies any inconsistencies in the information an applicant declares by reviewing credit information.

2.2.2 Medical Eligibility

As illustrated in **Figure 4**, once an applicant's financial eligibility for ODSP has been established, the local ODSP or Ontario Works office provides the applicant with an application form called a disability determination package. The package contains the forms used to verify information related to an applicant's disability, including the medical condition and related impairments, restrictions, the likely duration, and the impact the medical condition and impairments have on the applicant's daily living activities. The application also includes an optional self-report form that gives the applicant the opportunity to describe how their disability affects their daily life. The package must be completed by a health-care professional, such as a physician, psychologist or registered nurse, and returned to the Ministry's centralized Disability Adjudication Unit (Adjudication Unit) for review within 90 days.

Disability Determination Adjudicators (adjudicators) in the Adjudication Unit are responsible for determining if, based on the information provided in the disability determination package, the applicant meets the definition of a "person with a disability" under the ODSP Act.

Under the ODSP Act, a person is disabled if:

- the person has a substantial physical or mental impairment that is continuous or recurrent and expected to last one year or more;
- the direct and cumulative effect of the impairment on the person's ability to attend to his or her personal care, function in the community and function in a workplace, results in substantial restriction in one or more of these activities of daily living; and
- the impairment and its likely duration and the restriction in the person's activities of daily living have been verified by a person with the prescribed qualifications.

The definition of disability for similar programs in other Canadian provinces is shown in **Appendix 6**. **Figure 6** summarizes the Adjudication Unit's process for assessing new applications and appeals.

If the adjudicator determines that the applicant is a person with a disability, the Adjudication Unit notifies the local office and the applicant of the decision. The local office is responsible for issuing ODSP income support to the applicant. If the applicant applied through an Ontario Works office, that office must provide the appropriate ODSP office with electronic access to the applicant's file, and transfer the hard copy within five business days. The Ministry's internal target is for the first payment of income support to be issued within 15 business days of the disability determination decision.

Figure 6: Adjudication Unit Processes for Assessing Applications and Appeals

Prepared by the Office of the Auditor General of Ontario

Stage	Process	Description
Application	Triage	<ul style="list-style-type: none"> Ministry has a target for its Disability Determination Adjudicators to complete an initial review of all new applications within 10 business days. Adjudicators perform this expedited cursory review to assess if the applicant can be immediately determined to be disabled.
	Regular Medical Adjudication	<ul style="list-style-type: none"> Applications that require a more detailed review as determined through the triage process are assessed by a different Ministry adjudicator. Ministry has a target to complete medical adjudication reviews within 90 business days.
Appeal	Internal Review	<ul style="list-style-type: none"> Unsuccessful applicants can appeal the decision and request an internal review within 30 calendar days. A different adjudicator than the one who made the original decision reassesses the application. The review and the adjudicator's decision is communicated to the applicant within 30 calendar days of the request.
	Pre-tribunal Review	<ul style="list-style-type: none"> Applicants whose appeal is rejected during an internal review can appeal to the external (and independent) Social Benefits Tribunal within 30 calendar days of the Ministry's internal review decision. New medical information received by the Adjudication Unit at least 30 calendar days before the Tribunal hearing is assessed by a different adjudicator prior to the Tribunal hearing. The adjudicator must have a decision related to the new medical information communicated to the Tribunal, appellant and their legal representative 10 calendar days before the hearing. If the adjudicator determines the applicant is disabled, the Tribunal hearing is withdrawn.

2.2.3 Ongoing Eligibility

Reporting Changes and Application Updates

Recipients are responsible for reporting changes in their circumstances, such as a change in living arrangements or family composition, so that their caseworker can reassess their financial eligibility for the program or their income support rates and entitlements. As part of managing their recipient cases, caseworkers decide whether to complete a file review and an application update report. Their decision is based on their knowledge of the recipient and assessing eligibility risk factors, such as duration since last review, date of granting assistance and previous eligibility-related issues. The file review should include updating third-party checks to verify the recipient's income and assets and may include a visit to a recipient's home.

Medical Reviews

Regulations under the ODSP Act require that a medical review date be assigned to applicants unless there is no likelihood of improvement in the person's impairments. In these cases, a medical review date of two or five years after the disability decision may be assigned by the adjudicator, at which time the adjudicator is required to reassess whether the recipient continues to be medically eligible for ODSP. Recipients who are due for a medical review are issued a medical review package that must be completed by a health-care professional. Recipients are required to submit their completed medical review package within 90 days to remain eligible for income support and benefits. The adjudicator reviews the completed package and assesses whether the recipient's condition continues to meet the definition of disability under the ODSP Act.

2.2.4 Demographics of Recipients

As of March 2019, male recipients accounted for 53% of all ODSP cases, and female recipients accounted for 47%. Approximately 80% of ODSP cases were single recipients without children or adult dependents, and the majority (57%) of ODSP recipients were older than 45 years of age, as shown in **Figure 7**.

Figure 8 shows the primary disability of recipients—mental health disabilities classified as psychoses (21%) or neuroses (18%), and developmental disabilities (18%), account for 57% of all disabilities.

Mental health and developmental disabilities account for 75% of the disabilities of recipients under the age of 35. Developmental delay is the most common disability for those aged 18–21 (45%), 22–24 (50%) and 25–34 (33%).

Figure 9 compares the primary disabilities of ODSP recipients in March 2019 and March 2009, when we last audited the ODSP program. The two primary conditions that saw the largest increases in ODSP recipients were related to mental health conditions (psychoses and neuroses) that saw combined increases of over 60,000 recipients during this period. The most common conditions diag-

nosed for these recipients over this period included anxiety, post-traumatic stress disorder, various phobias, depressive disorders and mood disorders.

Figure 10 shows the education level of adult beneficiaries: almost half (44%) have an education level of Grade 11 or less and only 20% have completed post-secondary education. Among the 20%, only 4% of adult recipients with developmental delays have post-secondary education. In contrast, according to 2016 Statistics Canada census information, approximately 65% of all adults in Ontario have a post-secondary education.

Figure 11 shows the living arrangements for ODSP recipients as of March 2019. The majority of recipients were renting accommodations in either the private market (68%) or subsidized market (9%). As well, approximately 1% of ODSP recipients were either homeless or transient.

Among all ODSP cases that received income support in March 2019, approximately 91% were Canadian citizens, 7% were permanent residents and 2% were convention refugees or refugee claimants.

Figure 7: Composition of Recipients by Age, March 2019

Source of data: Ministry of Children, Community and Social Services

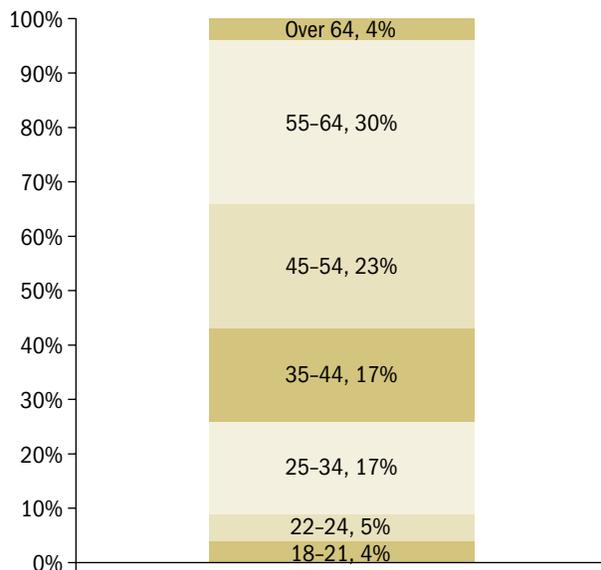
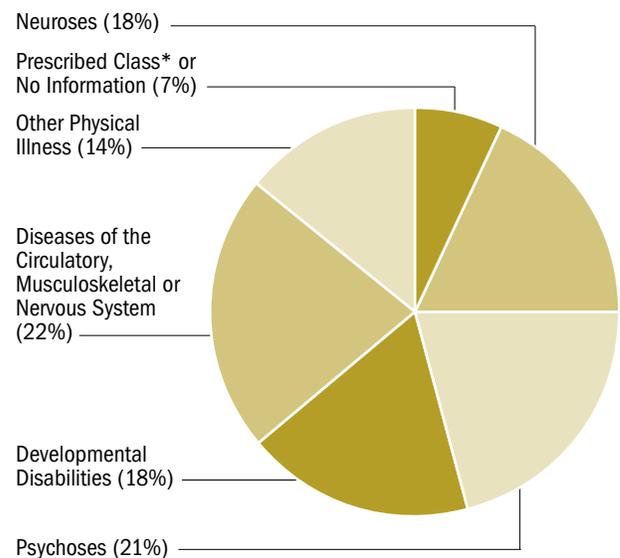


Figure 8: Primary Disability of Recipients, March 2019

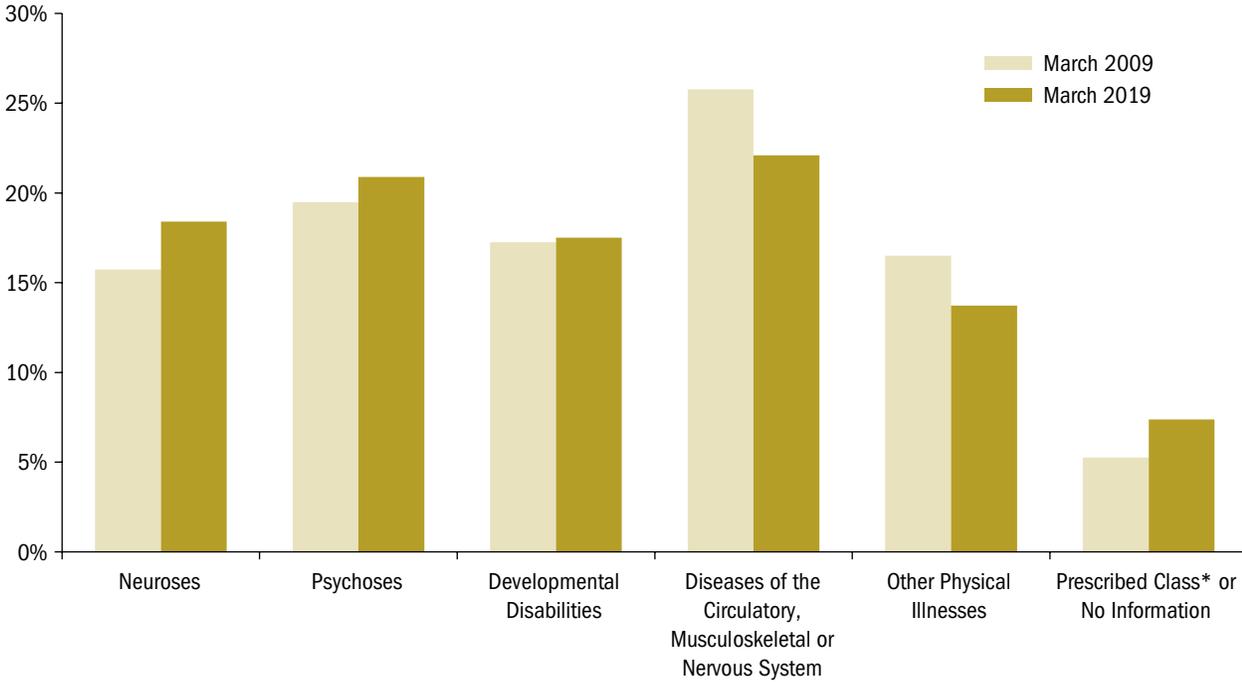
Source of data: Ministry of Children, Community and Social Services



* Members of a prescribed class only need to establish financial eligibility for Ontario Disability Support Program. Prescribed class members can include, but are not limited to, recipients of federal Canada Pension Plan Disability Benefits, former recipients (or spouse) who received income support from the Family Benefits Program up until May 31, 1998, and individuals who are 65 years old or over and not eligible for Old Age Security.

Figure 9: Comparison of Primary Disability of Recipients, March 2009 and March 2019

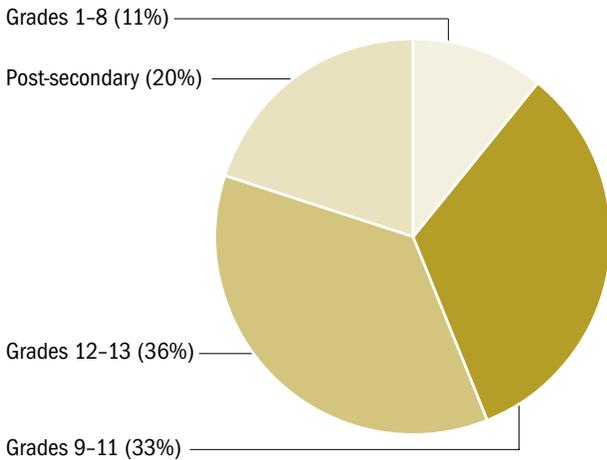
Source of data: Ministry of Children, Community and Social Services



* Members of a prescribed class only need to establish financial eligibility for the Ontario Disability Support Program. Prescribed class members can include, but are not limited to, recipients of federal Canada Pension Plan Disability Benefits, former recipients (or spouse) who received income support from the Family Benefits Program up until May 31, 1998, and individuals who are 65 years old or over and not eligible for Old Age Security.

Figure 10: Education Level of Adult Beneficiaries,* March 2019

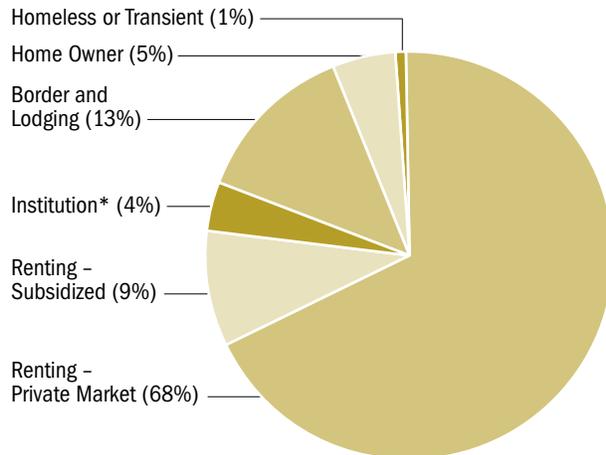
Source of data: Ministry of Children, Community and Social Services



* Adult beneficiaries include the total number of disabled recipients plus their adult dependents.

Figure 11: Recipient Living Arrangements, March 2019

Source of data: Ministry of Children, Community and Social Services



* Recipients living in residences providing specialized care; for example, a psychiatric facility or a long-term-care home.

2.3 Provision of Income Support

The Ministry provides income support to eligible ODSP recipients to help cover the costs of their shelter and basic needs including food, clothing and other necessary personal items. While recipients are provided a flat rate for basic needs, funding for shelter is paid based on the expenditures incurred, such as rent, utilities and mortgage payments, up to the maximum shelter allowance available. The amount of financial assistance is based on family size and composition. **Figure 12** illustrates the current rates for basic needs and shelter, and the rates at the time of our last audit in 2008/09.

In addition to income support for basic needs and shelter, eligible applicants may also qualify for additional assistance including the following:

- special purposes allowances such as a special diet allowance, pregnancy or breast-feeding nutritional allowance, and a remote communities allowance if a resident lives north of the 50th parallel and is without year-round access; and
- employment, health and disability-related benefits as outlined in **Appendix 7**.

In March 2019, 39% of recipient cases received a special diet allowance, 15% of recipient cases were receiving medical transportation benefits and 7% of recipient cases received funding for diabetic supplies.

2.4 Employment Supports

The purpose of the ODSP employment supports program is to help people with disabilities increase their economic independence through competitive (remuneration equal to at least minimum wage) and sustainable jobs. Legislation requires that the Ministry provide employment supports, such as employment preparation and training, job coaching and any necessary mobility devices, to recipients who intend and are able to accept and maintain employment. The Ministry has contracts with approximately 150 service providers across the province to work with ODSP recipients to help them achieve their employment goals. These service providers include a range of organizations including for-profit and non-profit, large and small, and urban and rural. Some serve individuals with all disability types while others are niche service providers specializing in specific disabilities. In addition to providing employment supports to ODSP recipients, some service providers also have contracts with Ontario Works and Employment Ontario.

Unlike employment assistance activities in the Ontario Works program, participation in ODSP employment supports is voluntary for ODSP recipients with disabilities. Caseworkers are expected to discuss employment supports with recipients to explain how ODSP employment supports work, and help recipients decide whether they are ready for employment. If so, their caseworker provides the recipient with a list of employment support service providers and information about the services they

Figure 12: Maximum Monthly Basic Needs and Shelter Rates

Sources of data: Ministry of Children, Community and Social Services; Statistics Canada

	Single Person			Single Person with One Child			Couple with One Spouse Disabled and One Child		
	Basic Needs	Shelter	Total	Basic Needs	Shelter	Total	Basic Needs	Shelter	Total
2008/09	566	454	1,020	709	714	1,423	838	775	1,613
2018/19 (actual)	672	497	1,169	815	781	1,596	969	846	1,815
2018/19 (adjusted for inflation*)	668	536	1,204	837	843	1,680	989	915	1,904

* Adjusted based on the rate of inflation per Statistics Canada.

Figure 13: Employment Outcome Payments to Service Providers

Source of data: Ministry of Children, Community and Social Services

Milestone	Amount	Description
Six-Week Job Start	\$1,000	Service providers earn \$1,000 when a client has been placed in competitive ¹ employment earning minimum wage or better for six cumulative weeks.
13-Week Job Placement	\$6,000	Service providers earn \$6,000 when a client has been placed in competitive ¹ employment earning minimum wage or better for 13 cumulative weeks (including the six weeks that qualify for the six-week job placement milestone payment).
Job Retention	For the first 15 months retention payments are equal to the greater of: <ul style="list-style-type: none"> • 60% of the client's chargeable earnings² per month, or • \$250 per month where the client receives employment earnings. For the remaining 18 months, retention payments are equal to: <ul style="list-style-type: none"> • 60% of the client's chargeable earnings.² 	Following 13 cumulative weeks of job placement, service providers earn a job retention payment for each month that the client is competitively ¹ employed and has earnings for up to 33 consecutive months. The total number of job retention payments cannot exceed 33.

1. Competitive employment refers to any employment that remunerates the individual an amount equal to at least minimum wage.

2. For the purposes of calculating retention payments in Ontario Disability Support Program employment supports, chargeable earnings are determined by applying a 50% earnings exemption to net earnings (gross earnings less mandatory payroll deductions) and deducting eligible child-care and disability-related expenses.

offer—such as experience with the recipient's type of disability—to help the recipient make their selection.

After recipients contact a service provider, the service provider assesses whether they are ready to prepare for, accept and maintain competitive employment, and whether the needs of the recipient will be best served by the service provider or another agency. Upon accepting a recipient's application, the service provider must develop an employment plan with the recipient, prepare the recipient for a job and find a suitable placement. **Figure 13** illustrates the compensation that service providers receive for achieving specific employment outcomes.

As shown in **Figure 3**, the Ministry spent \$39 million on ODSP employment supports in 2018/19 (\$33 million in 2008/09), which represented less than 1% of total ODSP expenditures. The Ministry's regional program managers and supervisors oversee contracted service providers, which includes conducting compliance reviews to determine whether service providers are delivering

the program and maintaining recipient files according to program requirements.

2.4.1 Participation Requirement for Non-disabled Adults in Ontario Works Employment Assistance

If an adult who does not have a disability is part of a family unit that receives ODSP income support, such as a non-disabled spouse or dependent adult child, that non-disabled individual is required to participate in Ontario Works employment assistance activities. These activities include looking for a job, participating in basic education or job-specific training, and development of employment-related skills, which are designed to increase the individual's likelihood of obtaining employment. ODSP caseworkers must refer all non-disabled adults to Ontario Works employment assistance unless they waive an individual's requirement to do so. Waivers can only be approved in certain circumstances, such as caregiving responsibilities for a family member,

or attending school on a full-time basis. If a non-disabled adult does not comply with Ontario Works participation requirements, the ODSP caseworker may reduce the income support issued to the family unit by the additional amount received for the non-disabled adult.

2.5 Monitoring and Oversight

One of the Ministry's key processes to monitor and oversee the delivery of ODSP is its Eligibility Verification Process (eligibility verification). This process involves reviewing ODSP recipient cases on a sample basis based on risk to ensure recipients are eligible for the income support they are receiving. ODSP directives require that 3% of cases are selected for review each month. Each month, recipients' information stored in the Ministry's Social Assistance Management System (SAMS), and external information from Equifax (consumer credit and other proprietary information) and the Canada Revenue Agency (CRA) are analyzed to prioritize cases for review. During eligibility verification reviews, staff analyze financial information such as income and assets, conduct additional third-party verification checks, and interview recipients to determine if a change is required to the amount of income support the recipient is receiving and if a referral for a fraud investigation is required. Equifax credit checks and CRA income checks are mandatory checks for each review. Other third-party checks, such as with Employment Insurance and the Ministry of Transportation, can also be performed based on the specifics of each case.

In addition to eligibility verification, the Ministry also operates a welfare fraud hotline that the public can contact to anonymously report suspected cases of social assistance fraud. All fraud allegations with a positive social assistance match are referred to local social assistance offices for assessment and investigation.

3.0 Audit Objective and Scope

Our audit objective was to assess whether the Ministry of Children, Community and Social Services (Ministry) had effective systems and processes in place to:

- ensure only eligible recipients receive income support in accordance with legislative and policy requirements;
- provide recipients with employment supports that are commensurate to their needs; and
- measure, evaluate and publicly report on the effectiveness of the Ontario Disability Support Program (ODSP).

In planning for our work, we identified the audit criteria (see **Appendix 8**) we would use to address our audit objective. These criteria were established based on a review of applicable legislation, policies and procedures, internal and external studies and best practices. Senior management reviewed and agreed with the suitability of our objectives and associated criteria.

The Ontario government announced in November 2018 that it planned to reform the delivery of social assistance in Ontario. Throughout the course of our audit, the Ministry developed proposals for the government to reform social assistance, including ODSP. At the completion of our audit, the Ministry advised us that a range of service delivery improvements, along with the transformation of ODSP employment supports through integration with Employment Ontario, are under way and that the Ministry is continuing to work with the government on developing policy options to reform and improve ODSP.

We conducted our audit between January 2019 and September 2019. We obtained written representation from Ministry management that, effective November 13, 2019, they had provided us with all the information they were aware of that could significantly affect the findings or the conclusion of this report.

Our audit work was conducted at the Ministry's corporate offices in Toronto and four of the 47 local offices across Ontario: Hamilton, Ottawa, Sudbury and Willowdale (Toronto). Collectively, the four local offices we visited represented approximately 18% of the total ODSP caseload. We focused on the Ministry's activities in the three-year period ending March 2019.

Our work at the Ministry's corporate offices included a review of policies and procedures, analysis of program and performance data and discussions with key Ministry staff. We also performed data analysis and sample testing of disability adjudication decisions to determine whether legislative and policy requirements were met.

Our audit work at the four local offices we visited included an analysis of local policies and procedures and discussions with front-line staff responsible for delivering ODSP. We also conducted data analysis and sample testing of recipient case files to determine whether legislative and policy requirements were met concerning financial eligibility, case management and fraud. In each region of the local offices we visited, we also met with a number of employment support service providers responsible for providing employment supports to ODSP recipients. We visited thirteen service providers to gain an understanding of the types of services they provide and their methods for delivering these services. These thirteen service providers served approximately 1,200 recipients and represented 16% of the total contracted expenditure for employment supports in 2018/19.

As well, we conducted a survey of all 1,400 ODSP caseworkers and administrative support clerks (56% response rate). They are the front-line staff who deliver the program and whose primary functions include determining initial and ongoing eligibility of recipients and providing eligible recipients with income support. We also conducted a survey of all 74 disability determination adjudicators (78% response rate) who determine whether applicants meet the definition of a person with a disability under the ODSP Act.

In addition, we spoke with senior representatives of stakeholder groups to obtain their perspective on issues related to the delivery of ODSP, as well as issues and concerns related to recipients of the program.

4.0 Detailed Audit Observations

4.1 Ministry Has Not Assessed Why ODSP Caseload Has Grown by 50% in Last Decade

Since our last audit of the Ontario Disability Support Program (ODSP) in 2009, the average number of cases has increased by 50% from approximately 247,500 in 2008/09 to 370,700 in 2018/19. In contrast, the population of Ontario has grown by 12% over the same period. Our research into other jurisdictions also identified a 2019 study that identified the caseloads in Canadian provinces' disability programs in 2017/18. We calculated that the proportion of Ontarians on ODSP was 2.5% of the population in 2017/18 (2.5% in 2018/19). This was the highest rate among all Canadian provinces' disability programs. The rate in other provinces ranged from as little as 0.8% of the population in New Brunswick to between 1.3% and 1.5% in larger provinces, such as Alberta, Saskatchewan and Quebec. The closest to Ontario was British Columbia at 2.0%.

As highlighted in **Section 2.1.2**, the substantial increase to the caseload since the time of our last audit is one of the key contributing factors to the 75% increase in program costs over the past decade. Despite the impact to the program's overall cost, we noted that since 2011, the Ministry has not investigated or studied the key reasons for caseload growth to assess whether the growth is reasonable, whether it reflects the changing needs of Ontarians, or whether, and by how much, it is related to the Ministry's administration of the program.

We noted several areas in the Ministry's administration and delivery of ODSP that can be

improved and may have contributed to the increase in the program's caseload and costs, such as the following:

- Third-party checks of financial information were not performed in many cases to verify the assets and income declared by applicants, increasing the risk of providing benefits to ineligible individuals (**Section 4.2**).
- The proportion of ODSP applicants approved as disabled after a cursory review increased by 56% since our last audit in 2009, with virtually all approved for life without the requirement for a medical review in the future to confirm that they continue to have an eligible disability (**Section 4.3** and **Section 4.4**).
- Over the last five years, recipient ongoing financial eligibility was almost never reassessed by caseworkers in order to confirm continued eligibility for ODSP benefits (**Section 4.6.1**).
- Fraud allegations were not reviewed within the time frame required by the Ministry and investigations were not always thoroughly conducted to ensure ineligible individuals are terminated from ODSP (**Section 4.6.4**).

RECOMMENDATION 1

We recommend that the Ministry of Children, Community and Social Services investigate and identify the extent that either its policies and procedures to administer and deliver the Ontario Disability Support Program and/or its non-compliance with these policies and procedures have contributed to caseload growth, and take corrective action so that only individuals who are eligible for ODSP receive benefits from the program.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the

recommendation. The Ministry recognizes that the ODSP caseload has been increasing and that there are a number of factors that have contributed to its growth.

The Ministry will undertake a comprehensive analysis of the factors driving caseload growth, including any impact that policy and business process changes have had on this growth. The analysis will consider what additional steps can be taken to manage caseload growth. The Ministry expects to complete its analysis by March 2021. Based on this analysis, the Ministry will take action to ensure that only eligible individuals receive assistance from the ODSP.

4.2 Caseworkers Do Not Verify Completeness, Accuracy of Applicant-Declared Income and Assets to Verify Financial Eligibility

4.2.1 ODSP Caseworkers Often Do Not Complete Required Third-Party Verification Checks to Confirm Applicants Are Eligible

ODSP caseworkers are required to check whether the information provided by applicants regarding their assets and income is accurate and complete by using outside sources such as the Canada Revenue Agency (CRA) and Equifax Canada Inc. (Equifax). However, we found that caseworkers frequently do not undertake these third-party verifications.

Our review of a sample of files at three of the four local offices we visited found that caseworkers did not carry out one or more of the mandatory Equifax or CRA checks in the majority of the files we reviewed.

These third-party checks are essential to confirm that information provided by applicants is complete and accurate because verifying an individual's income and assets from personal representations and applicant-provided supporting documents, such as a monthly bank statement, is not sufficient. For example, there is no assurance that an individual has provided a bank statement for all of his or

her accounts. Furthermore, an applicant could have withdrawn most of the money in the account before the bank issued the monthly statement.

CRA Income Check Not Possible for Thousands of Applicants Because Caseworkers Did Not Obtain SIN

At two of the local offices we visited, we found that in approximately 20% of the files we tested, a Social Insurance Number (SIN) had not been obtained as required for at least one of the adults in the family unit. Therefore, for these cases, no CRA third-party verification could be performed because the Ministry requires the SIN number to obtain the tax information from the CRA.

We analyzed data from the Ministry's Social Assistance Management System for ODSP recipients across all local offices in the province to determine whether SIN information had been consistently obtained. We found that as of March 2019, there was no SIN information for approximately 19,400 adults, equivalent to approximately 4% of the adults on the ODSP caseload. As a result, for these individuals, the Ministry would not be able to carry out a third-party verification check with CRA as its policy requires.

4.2.2 Third-Party Verification Checks Not Always Completed Thoroughly

We found that in instances where caseworkers had carried out mandatory third-party verification checks, they did not always identify and follow up on significant discrepancies that could affect an applicant's eligibility. Specifically, we found such discrepancies that warranted further investigation by the caseworker in 11% to 38% of the files where verifications had been carried out. One instance included the following case:

- A family of three applied for ODSP in December 2018 at which time the caseworker performed an Equifax check on both the applicant and their spouse to assess

financial eligibility for ODSP. Our review of these Equifax reports identified that the sum of the primary applicant and spouse's minimum monthly payments for their credit cards (\$2,515) and rent (\$750) exceeded the income (\$2,218) that the family had reported at the time. Nevertheless, the Equifax reports showed no past due amounts in either the applicant or spouse's credit cards. Because the family appeared to be making their required minimum payments, there is a risk that they under-reported their income. However, we found that the caseworker did not identify this issue, or take steps to obtain additional information to determine whether the applicant was eligible for ODSP.

Although the Ministry expects its caseworkers to review Equifax reports, it is unclear what steps caseworkers are expected to perform to identify discrepancies that may affect recipients' financial eligibility and to follow up on such discrepancies. When we discussed the example with management at the local ODSP office concerned, they told us that although caseworkers have been provided instructions to use their judgment to manage risk, there is no requirement to request additional information. We were also told that caseworkers would require additional training to be able to identify and follow up on such discrepancies.

RECOMMENDATION 2

To better identify and prevent applicants who are not financially eligible for the Ontario Disability Support Program (ODSP) from receiving benefits, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- implement a process to monitor and to take corrective action in instances where local ODSP offices and their caseworkers are not complying with the requirement to verify the accuracy and completeness of each applicant's declared income and assets using the third-party information sharing agreements the Ministry has in place;

- provide mandatory, relevant and comprehensive training for caseworkers on how to interpret the results of third-party checks, and to identify and investigate discrepancies between the information applicants have declared and the information obtained from third-party checks; and
- review the information held in the Social Assistance Management System to identify and collect all missing information, such as a Social Insurance Number, required to carry out third-party checks.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation. Third-party checks are an effective mechanism for assessing financial eligibility.

The Ministry is currently exploring opportunities to automate third-party checks as part of the application process in the 2021/22 fiscal year. While the Ministry is exploring opportunities to automate third-party checks at application, the Ministry will in the interim develop and implement an ongoing monitoring strategy to ensure mandatory third-party checks are being completed by September 2020.

The Ministry will build on improvements made to the usability of third-party reports and review its training curriculum to identify opportunities to support and enhance caseworker ability to understand third-party information reports and use the information to assess financial eligibility by December 2021.

In addition to the steps the Ministry is taking to ensure the verification of applicant-declared assets and income, the Ministry is also working with Service Canada on a Benefit Income Data Exchange that will ensure that ODSP clients are receiving all available federal pension income. The first exchange is scheduled to occur by March 2020. The Ministry will continue to work with Service Canada to explore how

the exchange can further strengthen program accountability. Work is under way to obtain Social Insurance Numbers for the portion of the ODSP caseload when they are not recorded in the Social Assistance Management System.

4.2.3 Lack of Checks Creates Risk of Financially Ineligible Applicants Transferring from Ontario Works to ODSP

As shown in **Figure 4**, applicants who are in immediate financial need can apply to Ontario Works first to receive Ontario Works financial assistance while they go through the medical application and assessment process to assess medical eligibility for ODSP. In these cases, an Ontario Works office will check the applicant's residency and financial eligibility for Ontario Works and ODSP. Our audit found that Ontario Works caseworkers often do not carry out mandatory CRA and Equifax third-party checks to verify applicant income and assets, to determine financial eligibility for ODSP. In addition, ODSP caseworkers did not subsequently carry out one or more of these required third-party checks once the file was transferred to ODSP. Therefore, there is a risk financially ineligible applicants are transferring from Ontario Works to ODSP.

At the four local offices visited, Ontario Works caseworkers did not complete one or more of the required CRA and Equifax checks in between 23% and 100% of files we reviewed of individuals transferring to ODSP. **Figure 14** shows the results at all four of the local offices visited.

The findings are concerning because in 2018/19 approximately 62% of all financial eligibility applications granted ODSP were processed by Ontario Works offices. The Ministry's reliance on Ontario Works caseworkers is also concerning as our audit of Ontario Works in our *2018 Annual Report* identified issues with Ontario Works service managers' assessment of applicant financial eligibility. We found that Ontario Works caseworkers were not always carrying out third-party checks in their

Figure 14: Percentage of Files We Reviewed Where One or More Third-Party Verifications Not Performed by Ontario Works Offices Prior to Transferring the Case to Ontario Disability Support Program Offices

Prepared by the Office of the Auditor General of Ontario

Offices Visited	Canada Revenue Agency and/or Equifax
Hamilton	23
Ottawa	38
Sudbury	79
Willowdale	100

initial application, or on an ongoing basis. Case-workers also often did not investigate red flags in applications, leading to potential mistakes in determining eligibility for the program.

At the time of our current audit, the Ministry informed us that ODSP caseworkers are not required to review whether Ontario Works caseworkers performed third-party checks. However, ODSP staff could at any time conduct financial reviews, including third-party checks, if they determine that action is necessary. We found that where an Ontario Works caseworker had not performed the required third-party checks, in all cases at all four ODSP offices we visited, ODSP caseworkers did not subsequently carry out one or more of these required third-party checks to make sure that the individual or family unit was still financially eligible for ODSP prior to issuing income support payments.

RECOMMENDATION 3

To prevent financially ineligible Ontario Works recipients from transferring to the Ontario Disability Support Program (ODSP) and receiving income support that they are not entitled to, we recommend that the Ministry of Children, Community and Social Services:

- update its directives, policies and business procedures to clearly define and communicate Ontario Works responsibilities for performing third-party checks prior to transferring recipients to ODSP, and ODSP case-

worker responsibilities in instances where these checks have not been performed;

- implement a process to monitor compliance with these requirements; and
- put in place mechanisms to hold Ontario Works service managers accountable in instances of non-compliance with ODSP requirements.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation and recognizes that further action can be taken to improve the financial eligibility information of a case being transferred from Ontario Works to the Ontario Disability Support Program (ODSP).

The Ministry has established a working group to assess and implement standard processes and tools related to the transfer of recipients from Ontario Works to ODSP. These activities will also set out requirements for ODSP caseworkers receiving transferred clients from Ontario Works. This work will be completed by September 2020. A standard process for monitoring compliance with these requirements will also be implemented by September 2020.

To strengthen the accountability with these requirements, the Ministry will communicate that the completion of third-party checks is required prior to transferring cases to ODSP as an Ontario Works service planning priority for the 2020/21 fiscal year, and monitor performance. The Ministry will also assess, by June 2021, other mechanisms that can be used to strengthen accountability in this area and take steps to implement them thereafter.

4.3 Despite Increasing Approval Rates, Ministry Does Not Review Disability Decisions for Appropriateness

4.3.1 Over 40% of New ODSP Applicants in 2018/19 Determined to Be Disabled at Triage after cursory Review

We found that the percentage of new ODSP applications approved as meeting the definition of a person with a disability increased from 48% in 2008/09, when we last audited the ODSP program, to 59% in 2018/19 (see **Figure 15**). The rise was primarily related to a 56% increase in the percentage of new applications approved after a cursory review, at what is referred to as the triage stage of adjudication, from 27% in 2008/09 to 42% in 2018/19.

We found that the Ministry had not analyzed the reasons for the increase to ensure decisions regarding disability are made in accordance with the ODSP Act and Ministry policies.

The Ministry has a target to perform a review at triage of all new applications within 10 business

days of receiving them. This expedited cursory review determines whether the medical evidence clearly identifies that applicants can be immediately determined as disabled, or whether they require a detailed review through the regular medical adjudication process.

4.3.2 Triage Adjudicators Each Expected to Make between 20 and 25 Disability Decisions per Day

While the Ministry has a target for its adjudicators to review between 20 and 25 ODSP applications in the triage stage each day, we found that the Ministry could not demonstrate how it determined that the target could be achieved while making appropriate decisions on whether applicants are disabled.

As noted in **Section 2.2.2**, in addition to the forms included in the Disability Determination Package, based on our review of ODSP applications approved at the triage stage, we found that about 90% of them also contained additional medical

Figure 15: Percentage of Applications Received Found Disabled at Triage¹ and Regular² Adjudication Stages, 2008/09–2018/19

Prepared by the Office of the Auditor General of Ontario with data from the Ministry of Children, Community and Social Services

	# of New Applications	# of Applications Found Disabled at Triage	% of Applications Found Disabled at Triage	# of Applications Found Disabled at Regular Adjudication	% of Applications Found Disabled at Regular Adjudication	% of Applications Found Disabled at Triage and Regular Adjudication
2008/09	33,946	9,056	27	7,096	21	48
2009/10	38,045	11,568	30	8,874	23	54
2010/11	39,958	10,853	27	6,766	17	44
2011/12	40,879	10,861	27	8,105	20	46
2012/13	40,219	11,312	28	7,260	18	46
2013/14	39,483	9,967	25	7,753	20	45
2014/15	35,049	9,942	28	6,651	19	47
2015/16	34,512	10,948	32	7,408	21	53
2016/17	37,576	13,380	36	7,841	21	56
2017/18	37,689	15,479	41	6,689	18	59
2018/19	37,250	15,740	42	6,163	17	59

1. Triage is the first stage of adjudication where adjudicators perform a cursory review of applications to assess if the applicant can be immediately determined to be disabled.
2. Regular adjudication is the second stage of adjudication. Applications that require a more detailed review as determined through the triage process are assessed by a different Ministry adjudicator.

reports that would have to be reviewed, including psychiatrist reports and x-rays.

Due to the volume of information in ODSP applications and the targeted number of applications adjudicators are expected to review, there is a risk that adjudicators do not always have time to reach decisions based on the good judgment and clinical expertise expected by Ministry adjudication policies. We found that the Ministry has never carried out a study to obtain and analyze data to determine the average time needed to effectively assess ODSP applications at any of its adjudication stages in order to set appropriate targets.

4.3.3 Ministry Has No Process to Assess Appropriateness of Disability Approval Decisions Despite Significant Differences Among Adjudicators

We found the percentage of ODSP disability applications approved by different adjudicators differed drastically but the Ministry does not review the reasonableness of these differences or assess whether adjudicator decisions are appropriate.

In our 2011 follow-up to our 2009 ODSP audit, the Ministry informed us that it established a formal adjudication file review process in 2010. A sample of approximately 40 adjudicator files were reviewed each week to determine the appropriateness of the decisions and to identify any training needs. The Ministry advised us that a file feedback form was to be completed for each review and provided to the applicable adjudicator. In addition, we were told that for any file reviewed where it was recommended that the original decision be overturned, the file was further reviewed by a panel of three individuals who then made a final determination. However, during our current audit, the Ministry advised us that it stopped these reviews to focus on other adjudication priorities in 2014 and did not have a substitute process to ensure adjudicator disability decisions are appropriate and in line with the ODSP Act and Ministry policies.

Figure 16: Adjudicator Approval Percentage at Each Stage of Adjudication, 2018/19

Source of data: Ministry of Children, Community and Social Services

	Highest	Lowest	Adjudicator Average
Triage	100	20	57
Regular Medical Adjudication	73	8	30
Internal Review	20	5	10
Pre-Tribunal Review	65	14	31

We also reviewed Ministry data and found that there are vast differences among adjudicators in the percentage of ODSP applications that they approve at each stage of the adjudication process (see **Figure 16**). For example, in the triage stage where all new applications undergo a cursory review, we found that in 2018/19 while one adjudicator who reviewed almost 4,200 applications approved just 20% of them, two adjudicators, including an adjudicator who reviewed over 500 applications, approved all of them.

We also found large differences in adjudicator application approval rates in the regular medical adjudication stage. In 2018/19, 17% of applications that underwent a regular medical adjudication were approved by the Ministry as illustrated in **Figure 15**. However, we found that adjudicators' approval rates ranged from as low as 8% to as high as 73% of applications reviewed.

Although the Ministry advised that some adjudicators with high approval rates are responsible for adjudicating cases that involve critical or terminal conditions, differences in approval rates are not analyzed to determine if they are reasonable, or if follow-up action is needed to ensure that adjudicator decisions are consistent and made in accordance with the ODSP Act and Ministry policies.

Ministry Management's Feedback Not Always Focused on Making Right Decision

We reviewed feedback from Ministry adjudication managers to adjudicators that was particularly

concerning given the lack of a process to review the appropriateness of disability decisions. Our review of a sample of email feedback to adjudicators showed that it is heavily focused on productivity. We noted examples where adjudication managers focused on increasing the number of disability decisions without regard to the complexity of the applications reviewed. Feedback also included managers asking adjudicators to explain why their disabled decision rate, or pass rate, was low. In addition, several of the adjudicators who responded to our survey raised concerns about Ministry management's focus on the number of files reviewed rather than the appropriateness of decisions made. Concerns expressed in the survey included that management was focused on meeting quotas to increase the number of applications processed rather than focusing on making the right decision.

4.3.4 Adjudicators' Rationale for Disabled Decisions Not Clear, Resulting in Lack of Transparency and Accountability for Taxpayers

We reviewed a sample of ODSP applications approved at the triage and regular medical adjudication stages, as well as a sample of rejected applications. We found that in the rejected applications we reviewed, the Ministry's rationale for rejecting the application was clear, referencing the medical documentation and why it did not illustrate that the applicant had a substantial impairment or restriction to their daily living activities.

Conversely, we found that the Ministry's rationale for approving an application was less detailed. We found that in almost 20% of the approved applications we reviewed it was not clear from the application and the adjudicator's rationale how the applicant met the definition of a person with a disability. For example:

- One application involved an applicant with three listed conditions: a mild intellectual disability, a learning disability and attention deficit hyperactivity disorder. The applica-

tion did not list substantial restrictions to activities of daily living and the adjudicator's rationale did not explain why the applicant was approved in the absence of substantial restrictions to activities of daily living.

- Another application involved an applicant with two listed conditions: fibromyalgia and vertigo. The documentation did not support that the applicant had substantial impairments, and included a report from a health-care professional that concluded there was no diagnosis of vertigo. The adjudicator's rationale did not explain why the applicant was approved in the absence of substantial impairments.

The Ministry informed us that unlike rejected applications where it expects that its decision may be appealed, adjudicators have been advised to keep the rationale for approved applications succinct to ensure that adjudication productivity targets are met. However, the vast majority (80% in 2018/19) of these cases result in approving the applicant with ODSP benefits for life (see **Section 4.4**), potentially costing taxpayers hundreds of thousands of dollars for each recipient. The rationale should therefore be clear—including how the adjudicator dealt with any inconsistencies in the application and supporting documents to arrive at a decision.

In addition, we reviewed a sample of disabled decisions made at the pre-Tribunal stage of adjudication. As described in **Figure 6**, if new medical information becomes available between the date of the appeal to the Social Benefits Tribunal and 30 calendar days before the date of the hearing, the Adjudication Unit will assign a different adjudicator to re-adjudicate the application prior to the hearing.

We found that in 40% of the overturned decisions we reviewed at the pre-Tribunal stage, there was no mention in the adjudicator's rationale of how the additional medical information received at this stage suggested substantial impairment or restrictions to activities of daily living and therefore supported overturning previous adjudicator decisions.

RECOMMENDATION 4

So that all applicants who meet the Ontario Disability Support Program's definition of a disabled individual receive benefits, we recommend that the Ministry of Children, Community and Social Services:

- review the reasonableness of its targets and expectations for the number of disability applications it expects its triage adjudicators to complete and to update its targets accordingly;
- implement a formal process to regularly review the appropriateness of decisions to approve and reject applicants as disabled; and
- monitor and investigate significant differences in the rates that adjudicators approve applicants as disabled and take steps to facilitate corrective actions where differences are determined to be unreasonable.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation. Effective oversight of the adjudication process is an essential component of overall program integrity. Adjudication oversight must ensure both that individuals who are not medically eligible are not found eligible, and that individuals who are eligible are determined to be so as quickly as possible.

The Ministry will review the reasonableness of its targets and expectations for the number of disability applications it expects its triage adjudicators to complete. This review will be completed by December 2020. Based on this review, the Ministry will update its targets accordingly.

The Ministry will assess options to strengthen its adjudication quality assurance framework by March 2020. Thereafter, it will implement a process to regularly review the appropriateness of its decisions.

The Ministry will implement a process to monitor and investigate significant differences in approval rates of adjudicators with comparable caseloads by June 2020. Thereafter, the Ministry will take corrective action where it determines differences to be unreasonable.

4.3.5 Adjudication Unit's Medical Information and Guidelines Outdated, Leading to Approval of Some Applicants in Contravention of ODSP Act

Adjudicators determine whether a condition and related impairments are substantial primarily by referring to the Adjudication Unit's handbook and triage guidelines. We found that because the handbook and guidelines have not been updated since their inception in 2004, some applicants are incorrectly approved as disabled even though their condition does not have a substantial impact on their activities of daily living. This is because the impairments associated with certain conditions have changed significantly. Accordingly, the handbook and guidelines require revision to reflect advancements in treatment.

In our review of a sample of ODSP applications approved as disabled, we found several instances where the medical condition and related impairments of the applicants did not result in a substantial restriction on their daily living activities, which is a requirement to establish disability under the ODSP Act. Specifically, we found the following:

- an individual was approved as disabled for life because of profound hearing loss even though the health-care professional who completed the application indicated they could function normally with hearing aids; and
- several individuals were approved as disabled for life due to contracting HIV despite having no substantial restrictions on their daily living activities. The Ministry told us that it had not updated its guidelines concerning HIV in over 15 years, and thus its policy had not taken into consideration medical advances

since that time. The Ministry's guidelines for adjudicators indicate that confirmed cases of HIV are to be deemed disabled with no requirement for a medical review. We noted that in the last five fiscal years, more than 2,000 applicants had been approved as disabled because they have HIV—steadily increasing each year from 325 in 2014/15 to 458 in 2018/19.

RECOMMENDATION 5

So that only applicants who meet the Ontario Disability Support Program's definition of a disabled individual receive benefits, we recommend that the Ministry of Children, Community and Social Services update the Adjudication Unit's handbook and triage guidelines to reflect advances in treatment associated with medical conditions where there have been significant changes that may no longer render individuals disabled, or permanently disabled.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation that current medical information and guidelines are vital to the adjudication process. A refreshed Adjudication Handbook and triage guidelines, including enhancements on infectious diseases, will be updated in consultation with medical and disability experts by December 2020 to reflect advances in treatment associated with medical conditions.

4.3.6 Ministry Does Not Track Concerns about Health-Care Professionals Who Complete Disability Applications

We found that the Ministry does not record basic information, such as the name and address, of health-care professionals who complete disability applications in its information systems. In addition, the Ministry does not have a process to track

concerns about disability applications completed by specific health-care professionals. As a result, the Ministry is unable to monitor trends that may warrant further investigation, such as health-care professionals who complete a high volume of applications, or concerns about a specific health-care professional's completed applications.

We obtained data from the Ministry of Health and found that some health-care professionals complete a disproportionately high number of disability application forms. For example, we noted that over the last five years, one physician had completed an average of 240 disability applications per year, compared with an average of four per year among all physicians who completed such forms. We noted that the Ministry undertook a similar exercise during our audit and also identified that a few physicians completed a disproportionately high number of disability application forms. However, the Ministry advised us that it had yet to determine the next steps it would take in response to its analysis.

We also surveyed adjudicators who raised many concerns about the information provided by physicians who complete disability application forms. In particular, concerns were raised with the thoroughness, accuracy and consistency of information. Examples provided by adjudicators include physicians scoring applicants with high ratings for severity of impairments or restrictions arising from their medical condition without corroborating information, suspected exaggerated medical assessments, and completing disability application forms for first-time patients they may not be familiar with.

RECOMMENDATION 6

So that only applicants who meet the Ontario Disability Support Program's (ODSP) definition of a disabled individual receive benefits, we recommend that the Ministry of Children, Community and Social Services:

- record the name and address of health-care professionals who complete disability applications, as well as any concerns about these

applications identified by adjudicators in its information system, to analyze and identify trends, and take corrective action where needed; and

- review and assess the appropriateness of applications completed by physicians that complete a disproportionately high number of disability applications.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation and that it is important to understand the underlying reasons behind variations in Disability Determination Package (DDP) completion rates and differences in how the DDP is completed by health-care practitioners, and to take action on any inappropriate behaviour should this be identified.

The Ministry will explore options to strengthen the data collected on health-care professionals to assist in trend analysis and take appropriate action when needed.

The Ministry has worked with the Ministry of Health to obtain data and has started an analysis of trends, including identifying those health-care professionals who complete a disproportionate number of DDPs. The Ministry will evaluate whether this variation reflects a control or quality problem in the completion of DDPs and, if so, will develop a plan to address any such problem by September 2020.

4.4 Ministry Determines 80% of Applicants It Finds Disabled to Be Disabled for Life; Rarely Assigns Medical Reviews Required by Legislation

4.4.1 92% of Applicants Approved at Triage after a cursory review Determined to Be Disabled for Life

The Ministry requires medical adjudicators to assign approved applicants a medical review date of either two or five years unless the adjudicator is satisfied that the individual's impairment is not likely to improve. Our review of Ministry data for decisions made at the triage stage of adjudication identified that in 2018/19, after a cursory review of the application, 92% of approved applicants were not assigned a medical review date by the adjudicator and were instead deemed disabled for life and thus eligible for ODSP benefits for life. As illustrated in **Figure 17**, this represents an increase of over 40% since the time of our last audit in 2009, when 65% of approved applicants were not assigned a medical review date. This increase is particularly concerning because, as noted in **Section 4.3.1**, the percentage of applications approved as disabled at triage has also increased by 56% since the time of our last audit.

4.4.2 Ministry Efforts to Reduce Medical Reviews Contributed to Increase in Applicants Approved for Benefits for Life without Review

Across all stages of adjudication, we noted that the number of approved disability applications that were not assigned a medical review date increased from 51% in 2008/09, at the time of our last audit, to 80% in 2018/19. This represents a 57% increase in the percentage of approved applicants who receive ODSP benefits for life. As **Figure 17** illustrates, the increase was sharpest from 2015/16 onward. Because the Ministry had not studied the reasons for this increase, we analyzed the Ministry's

Figure 17: Percentage of Disabled Decisions Not Assigned a Medical Review Date by Adjudication Stage, 2008/09–2018/19

Source of data: Ministry of Children, Community and Social Services

	Triage	Regular	Internal Review	Pre-Tribunal Review	All Stages
2008/09	65	40	42	33	51
2009/10	63	34	39	29	48
2010/11	62	36	35	30	49
2011/12	58	35	29	28	45
2012/13	57	35	36	31	46
2013/14	67	36	44	37	51
2014/15	69	34	39	40	52
2015/16	83	53	58	60	69
2016/17	94	58	63	72	79
2017/18	96	67	55	72	85
2018/19	92	60	54	59	80

decisions to not assign a medical review by type of disability. We discovered, as illustrated in **Figure 18**, that certain conditions, including neuroses, psychoses, diseases of the musculoskeletal system and diseases of the circulatory system, experienced the most significant increases. We shared this analysis with the Ministry. Although the Ministry could not identify specific reasons, it provided a list of actions taken since 2015/16 to reduce the number of medical reviews assigned that may have contributed to the increase. These actions included:

- providing a number of training sessions in 2015 that emphasized not assigning medical reviews for certain conditions such as various mental health conditions, cancers and chronic diseases;
- implementing a process where a decision to assign a medical review date to an applicant was to be reviewed by another adjudicator. If the other adjudicator could not see what would improve in relation to the applicant's disability in two or five years' time, the file would be returned to the original adjudicator to reconsider assigning a review date or to provide a fuller explanation of what was expected to improve; and

- implementing functionality in its adjudication software to alert adjudicators that a medical review may not be necessary for certain conditions that the Ministry deemed significant. The Ministry's Adjudication Unit approved this software alert and advised us that it did not seek approval from the Ministry's senior leadership to make this change.

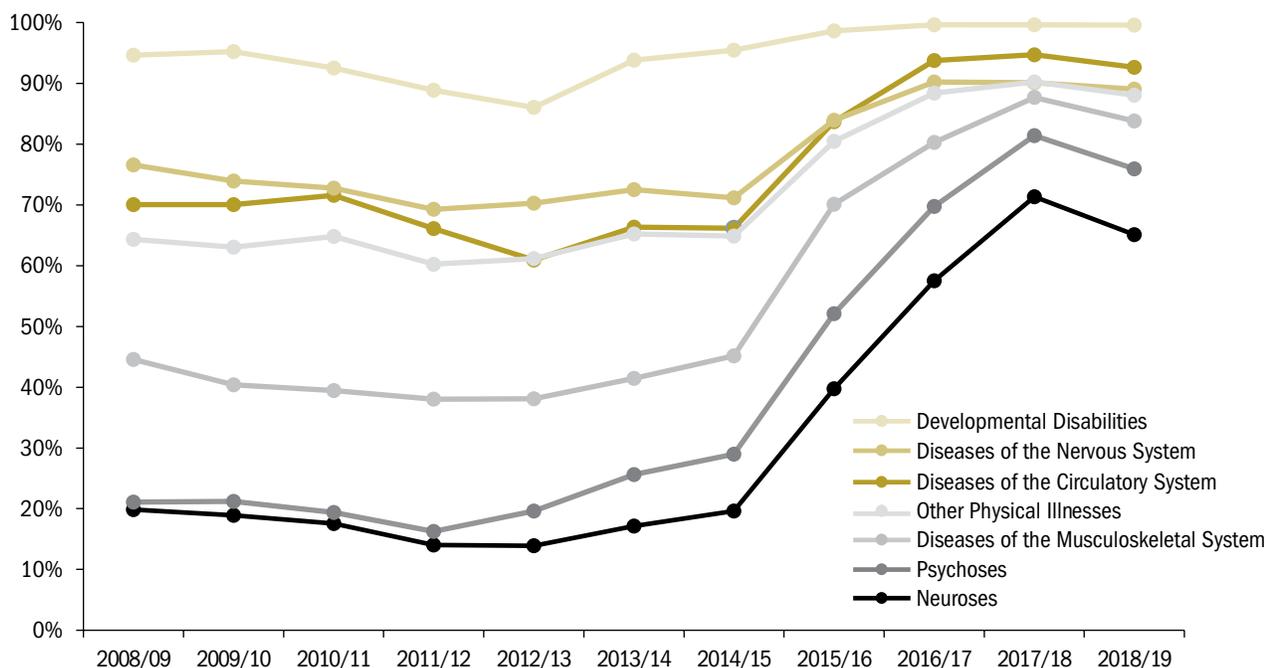
However, we were concerned with the impact of these actions because, as discussed in **Section 4.4.3**, we noted that the Ministry's guidance for adjudicators for setting all medical review dates is not consistent with the regulations under the ODSP Act. In addition, as discussed in **Section 4.4.4**, in our sample of decisions we reviewed at the triage and regular stages of adjudication, we also identified that disability decisions without medical review dates were not always fully supported.

4.4.3 Ministry Adjudication Framework Not Consistent with Legislation for Setting Medical Reviews

The regulations under the ODSP Act state that adjudicators should set a date to review decisions confirming an individual is disabled, unless the adjudicator is satisfied that the person's condition, impairment and restrictions are not likely to

Figure 18: Trend in Percentage of Decisions with No Medical Review Date Assigned by Disability Type, 2008/09–2018/19

Source of data: Ministry of Children, Community and Social Services



improve. However, we found that the Adjudication Unit's medical adjudication framework does the opposite: it puts the onus on adjudicators to determine that the condition, impairment, and restrictions are likely to improve in order to assign a medical review date. This change in interpretation relative to the regulations under the ODSP Act means that it is more difficult to conclude that a medical review is required than it is to conclude that it is not. The Ministry's documentation requirements for assigning medical reviews is also consistent with this framework. For example, the Ministry requires more documentation if an adjudicator assigns a medical review than it does for when the adjudicator decides that no medical review is required.

4.4.4 Adjudication Decisions without Medical Review Dates Not Always Fully Supported

Our review of a sample of adjudication decisions from 2017/18 and 2018/19 at the triage and regular

stages of adjudication identified that in over 40% of the cases we reviewed, the file did not contain an explanation of how the adjudicator determined that the applicant's condition, impairments and restrictions were unlikely to improve and that no medical review was required in order to satisfy regulatory requirements of the ODSP Act. For example:

- A 41-year-old woman whose application identified chronic post-traumatic stress disorder with anxiety and insomnia was determined by a Ministry adjudicator to be disabled for life. The adjudicator's summary stated that various medication trials and psychotherapy intervention had failed to produce improvement and noted that no medical review was required. However, the applicant started taking medication only a couple of months before she was approved as disabled, so not enough time would have passed to conclude that treatments had failed.
- A 44-year-old woman diagnosed with obesity and knee arthritis was determined by an adjudicator to be disabled for life. Treatment

options had been proposed by a health-care professional, such as pursuing a weight loss program and undergoing a knee replacement. We did not find evidence in the file supporting that the applicant is not likely to improve.

Since adjudicator decisions to not assign a medical review result in approving applicants with ODSP benefits for life, which can cost taxpayers hundreds of thousands of dollars for each decision, the adjudicator's rationale should be sufficiently detailed to meet regulatory requirements under the ODSP Act, and clearly indicate how the adjudicator concluded that the applicant's condition is unlikely to improve.

RECOMMENDATION 7

So that only applicants who meet the Ontario Disability Support Program's definition of a disabled individual receive benefits, we recommend that the Ministry of Children, Community and Social Services:

- analyze by disability type the increase in the proportion of cases that it does not assign a medical review, and assess whether these increases are reasonable;
- revisit the actions taken since 2015/16 that contributed to the increase in cases it does not assign a medical review, and take corrective measures where these actions have led to decisions that are not consistent with the regulations under the *Ontario Disability Support Program Act, 1997* (ODSP Act);
- review and implement changes to the Adjudication Unit's policies and guidelines where they are not consistent with the principles of the ODSP Act; and
- review and update its requirements for both obtaining evidence in support of medical review decisions and documenting the rationale for such decisions so that they are clearly supported and consistent with the regulatory requirements under the ODSP Act.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation. The Ministry's approach to adjudication and the assignment of medical reviews is governed by the *Ontario Disability Support Program Act, 1997* (ODSP Act), and its regulations. The interpretation and application of the ODSP Act have evolved as a result of regulatory changes and binding court decisions that inform the Ministry's policies and delivery of ODSP.

The Ministry agrees with the value of analyzing by disability type any increase in the proportion of cases where a medical review is not assigned and assessing whether the "disability type' assignments" are reasonable. The Ministry will target to complete a review by December 2020 and will implement a file review process by March 2021.

The Ministry will revisit actions taken since 2015/16 that may have contributed to the increase in cases it does not assign a medical review and assess if those actions require modification or updating. This assessment will be completed by June 2020. Thereafter, the Ministry will take corrective measures as needed to ensure decisions are consistent with the ODSP Act.

The Ministry recognizes that there are opportunities to review and enhance adjudicative policies and guidelines. The Disability Adjudication Framework aims to provide clarity and transparency of policy used to determine eligibility under the ODSP Act. A review of the Framework will be conducted by June 2020 and the Ministry will implement any necessary changes to adjudicative policies and guidelines in accordance with the requirements of the ODSP Act, regulations and case law.

The Ministry recognizes that there are opportunities to review and enhance adjudicative practices and will review its requirements

for both obtaining evidence to support medical review decisions and documenting the rationale for such decisions by September 2020.

4.5 Majority of Non-disabled Decisions Still Overturned by Tribunal

We found that 10 years after our last audit of ODSP in 2009, the Social Benefits Tribunal (Tribunal) continues to overturn about 60% of the Ministry's decisions appealed to the Tribunal where the Ministry has found applicants not disabled and therefore not eligible for ODSP benefits.

Our review of data relating to appeals dealt with by the Tribunal included similar findings to those we reported in our *2009 Annual Report* (see **Sections 4.5.1** and **4.5.2**).

4.5.1 Outcomes of Tribunal Hearings Vary Significantly Depending on the Tribunal Member

Senior representatives from Tribunals Ontario informed us that the decision of whether to uphold or overturn the non-disabled decision lies solely with the member who conducts the hearing. After the hearing, the presiding Tribunal member is given 60 days to submit their decision to the applicant and the Ministry. There is no internal review of decisions for quality or consistency. We also noted that Tribunal members are not required to have a medical background. In addition, we noted a high variation in Tribunal member decisions. We reviewed the decisions made from hearings in 2018/19 and found, for example, that while one member overturned 28% of Ministry decisions, a different member overturned 93% of the Ministry's decisions.

RECOMMENDATION 8

So that only eligible individuals are provided with Ontario Disability Support Program income support, we recommend that the Social

Benefits Tribunal (Tribunal), while respecting Tribunal member independence:

- review the overturn and uphold rates for reasonableness between Tribunal members and determine whether any changes in training or other tools are needed to foster greater quality; and
- make improvements where needed.

SOCIAL BENEFITS TRIBUNAL RESPONSE

The Social Benefits Tribunal (Tribunal) takes its responsibilities under the legislation seriously and is committed to ensuring members receive the professional development and supports they require to make fair and just decisions, consistent with the *Ontario Disabilities Support Program Act, 1997*. The Tribunal has several internal institutional processes in place, designed to support this objective. The Tribunal will actively look for opportunities to foster and improve the quality, reasonable consistency, and coherence of Tribunal decisions, and will take steps to identify and put in place additional processes if determined needed, provided that they respect judicial independence as well as the appearance of that propriety.

4.5.2 Ministry Officers Attend Just 16% of Hearings Despite Tribunal Upholding More Ministry Decisions When Officers Attend

Although legal counsel often represent the appellant at Tribunal hearings, our review of Ministry and Tribunal data showed that the Ministry's case-presenting officers (officers) appeared in only 16% of hearings in the last 10 years, including 28% in 2018/19, to provide the Ministry's legal submissions and the rationale for denying the applicant's appeal. The Ministry explained that it does not have sufficient human resources to attend all of the Tribunal hearings. However, we found that the Tribunal upheld the Ministry's decisions to deny eligibility at a significantly higher rate when an officer was present at a hearing.

Between 2009/10 and 2018/19, 48% of Ministry decisions were upheld by the Tribunal with an officer in attendance compared with 38% when an officer did not attend. This includes a difference of nearly 20% in 2018/19, when 48% of decisions were upheld with an officer in attendance compared with 30% when an officer did not attend.

Similarly, the Ministry shared with us its analysis of all Tribunal decisions from 2017/18 that also showed the Tribunal upheld Ministry decisions at a higher rate when an officer was present than when an officer was not. However, we noted that the Ministry has not performed a cost-benefit analysis of officers attending more than 16% of Tribunal hearings to determine whether officers should attend all hearings or, if not, the optimal number of hearings that officers should attend to minimize overall program costs.

Officer Attendance at Tribunal Hearings Varies by Location, Not Based on Risk of Ministry's Decision Being Overturned

With the exception of a very small number of Tribunal hearings, the Ministry does not prioritize the cases to be heard by the Tribunal to determine which cases its officers should attend, including in which cases there is a higher risk of its decision being overturned. Instead, the Ministry encourages officers to select locations where a minimum of three hearings each day are scheduled to maximize the number of hearings that its officers attend. As a result, we found wide variations in officer attendance across locations, even among locations where a significant number of Tribunal hearings were held. Specifically, we looked at locations where at least 1,000 Tribunal hearings had been held in the last three fiscal years and found that officer attendance varied from as low as 8% to almost 40% of hearings.

RECOMMENDATION 9

So that only eligible individuals are provided with Ontario Disability Support Program income support, we recommend that the

Ministry of Children, Community and Social Services (Ministry):

- review the impact of Ministry attendance on the outcome of Tribunal hearings, to determine whether officers should attend all hearings, or if not, the optimal number of hearings to attend to minimize overall program costs, and to ensure that the Ministry's position is effectively explained and supported at hearings; and
- select Tribunal hearings to attend based on the risk of the Ministry's decision being overturned in the Ministry's absence.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation and recognizes the need to determine the optimal approach to handling representation at Tribunal hearings. The Ministry will assess the impact of in-person representation at hearings along with the current approach for Ministry hearing attendance. This assessment will be completed by December 2020. Based on this assessment, the Ministry will make adjustments to its current practices accordingly.

4.5.3 Ministry Efforts to Reduce Percentage of Non-disabled Decisions Overturned by the Tribunal Have Been Ineffective

After our 2009 audit, the Ministry committed to address the high rate at which the Tribunal overturned ODSP decisions related to whether an individual is disabled. Between 2011 and 2017, the Ministry undertook four separate reviews of a sample of Tribunal decisions to identify and address the reasons the Tribunal overturned its decisions. The Ministry advised us that in an effort to reduce the number of applicant appeals to the Tribunal, and to reduce the number of its decisions overturned, it took action such as providing additional training to Ministry adjudicators, and updating its

Figure 19: Social Benefits Tribunal Decisions, 2008/09 and 2018/19

Source of data: Ministry of Children, Community and Social Services

	Decisions Overturned		Decisions Upheld		Decisions Varied		Total Appeals #
	#	% of Total	#	% of Total	#	% of Total	
2008/09 Disability Determination	4,182	59	2,517	36	341	5	7,040
2018/19 Disability Determination	2,789	60	1,690	37	145	3	4,624

adjudication framework in 2017 to increase the consistency of decision-making.

As illustrated in **Figure 19**, the number of appeals to the Tribunal declined by 34%, from over 7,000 in 2008/09 to just over 4,600 in 2018/19. Contributing to the reduction in the number of appeals to the Tribunal is the fact that the Ministry approved more applicants as disabled in 2018/19 (59%) than in 2008/09 (48%) (see **Figure 15**).

Nevertheless, the Ministry identified that the Tribunal's decisions continue to affect the Ministry's decisions on whether an applicant is disabled. While the number of appeals to the Tribunal declined, the percentage of Ministry decisions overturned by the Tribunal actually increased slightly from 59% in 2008/09 to 60% in 2018/19.

We noted that in British Columbia, its Employment and Assistance Appeal Tribunal (BC Tribunal), which hears appeals on disability decisions for social assistance, rescinded less than 5% of the appeals that it heard on disability decisions in 2017/18 (the most recent data available). We noted that unlike Ontario's Tribunal, which has broad powers and can make a different decision than the Ministry, the BC Tribunal can only confirm or rescind the decision of the Ministry—it cannot make its own decision.

RECOMMENDATION 10

So that only eligible individuals are provided with Ontario Disability Support Program (ODSP) income support, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- review whether the high overturn rate of the Ministry's decisions at the Social Benefits Tribunal has affected the Ministry's ability to reach disability decisions that are consistent with the ODSP Act; and
- assess the suitability for ODSP of models for appeals in other jurisdictions and propose alternatives to the Ontario government for an appeals framework that enhances the consistency of disability decisions between the Ministry and the appeals body with the ODSP Act.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation. While acknowledging the independence of the Social Benefits Tribunal (SBT), and the existing mechanisms that hold decisions made by the SBT accountable, the Ministry will undertake an assessment of the impact that SBT decisions have on Ministry decisions, review appeal frameworks within other jurisdictions, and propose enhancements to the appeal framework in Ontario based on this assessment by March 2021.

4.6 Ineligible Recipients Likely Remain on ODSP

4.6.1 Caseworkers Rarely Review Recipients' Continued Financial Eligibility

To ensure that recipients remain eligible for income support, the Ministry expects caseworkers to review and update recipients' application information on an ongoing basis to identify any changes in financial or other circumstances that may affect their eligibility or the amount of income support received. Caseworkers decide when it is necessary to do this based on their knowledge of the recipient case and assessing eligibility risk factors, such as the duration since the last complete review, the length of time on ODSP and any previous eligibility-related issues. We found that caseworkers rarely review and update recipient application information to confirm their continued financial eligibility and to prevent ineligible recipients from continuing to receive benefits.

At the four ODSP offices we visited, we selected a sample of recipient cases that had been on the ODSP caseload for several years. As illustrated in **Figure 20**, we found that in 58% to 100% of the files we reviewed, the recipient's application information had not been updated for at least five years. In many cases it was much longer, including one recipient whose information had not been updated since 2005.

In addition, we found that caseworkers had not been in touch with recipients for over two years in 22% to 50% of the cases we reviewed. In some cases, there was no evidence that the current caseworker had ever spoken or had any communication with the recipient. This lack of contact highlights that there is a significant risk that if recipients do not report changes in their circumstances that may affect their eligibility, caseworkers will not detect these changes.

To address our observations, some caseworkers contacted recipients related to the files we reviewed. Following a review of the recipients' circumstances, as of September 2019, caseworkers had either terminated or suspended six of the cases we reviewed

Figure 20: Percentage of Files Reviewed Where Caseworkers Had Not Updated Recipients' Application Information

Prepared by the Office of the Auditor General of Ontario

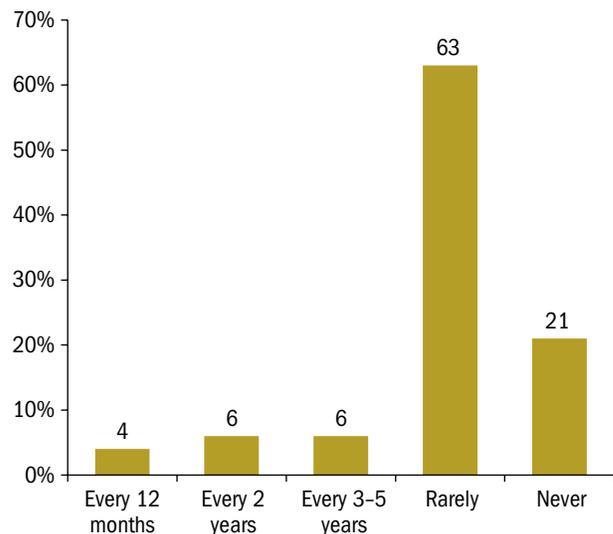
Offices Visited	Application Information Not Updated for at Least Five Years	Caseworker Had Not Been in Touch with Recipient for >Two Years
Hamilton	80	40
Ottawa	100	22
Sudbury	100	50
Willowdale	58	50

and established overpayments in these cases totalling approximately \$107,000. This included one case where we identified a recipient who had started to receive Old Age Security benefits in 2016. We brought this case to the attention of the Ministry who subsequently investigated it, terminated the recipient's ODSP benefits and established an overpayment totalling approximately \$34,000.

The results of our survey also illustrated that caseworkers across all offices in the province rarely review recipients' ongoing financial eligibility. As highlighted in **Figure 21**, other than when recipients

Figure 21: Frequency of Financial Eligibility Reviews as Reported by Caseworkers*

Prepared by the Office of the Auditor General of Ontario



* Caseworkers who responded to our survey.

self-report a change in their circumstances, over 80% of caseworkers who responded to our survey told us that they rarely (63%) or never (21%) review a recipient's financial eligibility.

Some Recipient Deaths Not Identified on a Timely Basis, Leading to Overpayments

We found that despite having an agreement to obtain data from the province's death registry to help identify deceased ODSP recipients who were still being paid benefits, the Ministry does not regularly use this information to identify deceased recipients on a timely basis and prevent overpayments.

We obtained death registration data from the Ministry of Government and Consumer Services that we analyzed and used to identify 110 individuals who were deceased but continued to be included in the ODSP caseload as of March 2019. Although in most of these cases the payments the Ministry issued to these individuals were cancelled, we found that as of September 2019, income support payments were issued to 26 of these individuals. As a result, we identified overpayments of approximately \$540,000 relating to payments made between December 2006 and September 2019. This included overpayments to two deceased individuals of \$140,000 and \$104,000, respectively, where both the individuals had passed away more than 10 years ago. We also found that the Ministry had not assessed the ongoing eligibility of both of these recipients in the last five years.

In addition, we identified three people who had died but were still included as a family member when calculating the income support payments payable to their spouse—one of these individuals had been deceased since 2012. At the conclusion of our audit, the Ministry was still investigating these cases to determine the extent of the overpayments and to investigate whether fraud may have occurred.

We also identified approximately 450 additional active ODSP recipients with the same first name, last name and date of birth as an individual in

the death registration data. While there was not a match on the address for these individuals, these cases warrant further investigation by the Ministry to determine and stop making payments where they are confirmed to be the same people as in the death registry.

We noted that the Ministry has had an agreement in place since April 2015 with the Ministry of Government and Consumer Services to obtain and use death registration information to identify deceased individuals that are in receipt of social assistance payments, including ODSP. However, we found that since putting this agreement in place, the Ministry has only attempted to perform a data match between the death registry and the ODSP caseload three times, including its most recent data match in January 2018. Identifying deceased recipients in a timely manner is critical to preventing overpayments.

4.6.2 Ministry Did Not Perform Planned Targeted Eligibility Verification Reviews to Terminate Ineligible Recipients or Identify Overpayments

The Ministry's key process to oversee and confirm the eligibility of ODSP recipients, and verify that they are receiving the correct amount of income support, is its eligibility verification review, which supplements the ongoing eligibility reviews (see **Section 4.6.1**) that caseworkers are expected to perform. Ministry directives state that 3% of all ODSP recipient cases will be selected for an eligibility verification review each month (see **Section 2.5**).

Based on selecting 3% of the caseload each month, we calculated that the Ministry should have performed approximately 508,300 eligibility verification reviews in the last four fiscal years (April 1, 2015, to March 31, 2019). However, we found the Ministry completed only 8,262 of these eligibility verification reviews: 6,181 in 2017/18 and 2,081 in 2018/19. That was only 1.6% of the total reviews it should have performed.

The Ministry suspended eligibility verification reviews during 2014/15 due to the implementation of the Ministry's information technology system Social Assistance Management System (SAMS). In the two years since the reviews resumed, in 2017/18 and 2018/19, the Ministry allocated only 21 staff per month on average to complete the reviews. In 2017/18, the Ministry selected cases for eligibility verification at random rather than risk. Out of the 6,181 reviews it completed, it identified overpayments in 18% of the cases totalling about \$4.65 million. This is equivalent to an average overpayment of almost \$4,200 in each of these cases. Based on these results, if all of the 508,300 reviews required by the Ministry's directives had been completed, the Ministry may have identified a further \$375 million in additional overpayments that it could have prevented from increasing and started to recover from recipients. Even if the Ministry had been unable to perform any reviews between 2015/16 and 2016/17 due to the demands of implementing SAMS, it still could have identified a further \$240 million in additional overpayments in 2017/18 and 2018/19.

In 2017/18, the eligibility verification review also resulted in terminating 2.35% of cases looked at because recipients were no longer eligible for ODSP income support. If the Ministry had completed all of the reviews, based on these results, more than 11,700 additional cases may have been terminated. The monthly rate for a single recipient on ODSP is \$1,169; therefore, terminating these potentially ineligible cases could have led to annual savings to ODSP income support expenditures of at least \$165 million per year, or \$105 million if no reviews were done in 2015/16 and 2016/17.

RECOMMENDATION 11

So that only eligible recipients continue to receive Ontario Disability Support Program (ODSP) benefits, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- establish a risk-based timeframe for ODSP caseworkers to periodically review the eligibility of all ODSP recipients;
- implement a process to identify deceased ODSP recipients on a timely basis to prevent overpayments;
- review the backlog of cases that ODSP directives required to be subject to an eligibility verification review over the past four fiscal years, and design and execute a plan to identify and carry out reviews on these cases based on their relative risk;
- review the results of the eligibility verification reviews and carry out a cost-benefit analysis to determine the optimal percentage of eligibility verification reviews the Ministry should complete on an annual basis to maximize savings to the program; and
- put in place a plan to complete the number of eligibility verification reviews determined to be optimal to maximize savings to the program.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation and acknowledges that there are opportunities to enhance its oversight of the ODSP caseload.

The Ministry will develop guidelines that include expectations for staff to make contact with their caseload on a periodic basis, and update and assess eligibility-related information according to time frames that the Ministry will set based on the risk characteristics of cases.

Starting in April 2020, the Ministry will undertake a regular data match process of social assistance recipient and death databases. The results of this data match will inform how frequently the Ministry will undertake this data matching exercise.

Currently, the Ministry applies a risk model incorporating both social assistance and third-party information to identify high-risk cases for

eligibility reviews. The risk model has proved to be effective in identifying cases where there is a high likelihood that there would be change in eligibility when the case is reviewed. The Ministry continuously works with its partners to enhance the case selection model based on the outcomes of eligibility reviews identified through the model.

The Ministry acknowledges the need to determine the optimal volume of reviews to be completed on an annual basis and put in place a plan with an appropriate resourcing strategy to ensure that the selected highest-risk cases will be reviewed within expected time frames. The determination of the optimal volume of reviews will be based on a cost-benefit analysis and will also take into consideration that reviews were suspended for several years. The plan and resourcing strategy will be included in the Ministry's 2020/21 Multi-Year Plan that it will submit to the government for approval.

4.6.3 Ministry Does Not Use Results of Eligibility Verification to Help Prevent Payments to Ineligible Recipients

The Ministry collects data on the results of the eligibility verification reviews it performs, including whether the review resulted in a recipient's termination or identifying an overpayment to the recipient. However, it does not analyze the underlying reasons, such as an undeclared spouse, that led to any of these changes. Without consolidated data to understand the most common causes of terminations and overpayments identified through the eligibility verification reviews, the Ministry is unable to use the results of the reviews to identify which of its processes it needs to improve to prevent and reduce these occurrences.

In addition, we found that results from the eligibility verification reviews were not clearly communicated to caseworkers so they could learn from the findings and apply that to their future work. Among the caseworkers who responded to

our survey, approximately 55% reported that they did not receive feedback from the results of the eligibility reviews conducted. The Ministry advised us that caseworkers can view the details of eligibility reviews completed for recipients in their caseload in SAMS. However, even among the caseworkers who responded to say that they did receive feedback, approximately 20% reported that the feedback was not helpful because sometimes they were unaware when a review had been completed, or they did not find the results of the audit to be documented in enough detail or the notes to be understandable.

RECOMMENDATION 12

To maximize the benefits of the eligibility verification process, we recommend that the Ministry of Children, Community and Social Services:

- enhance its systems and processes to record and analyze the causes that led to undetected changes in recipients' financial eligibility;
- clearly communicate where such instances are occurring for review by caseworkers; and
- take action to address these causes to minimize their occurrence.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees that the information obtained through eligibility reviews can be used to inform preventative measures to ensure only eligible individuals receive assistance.

By September 2020, the Ministry will assess the enhancements needed to technology systems and business processes to record and analyze the causes that led to undetected changes in recipients' financial eligibility.

The Ministry will also analyze the information on the causes that led to undetected changes, trends and patterns, and communicate findings to staff so that preventative measures can be taken. This may include additional staff training, case management system upgrades

and enhancements, or updates to business processes and procedures. The Ministry will target March 2021 to implement actions in response to its analysis.

4.6.4 Many Fraud Allegations Not Investigated on Time and Investigations Often Ineffective

Our analysis of Ministry data found that as of March 2019, there was a backlog of approximately 42,000 fraud allegations that had not been assessed within the Ministry's required time frame of 15 business days, including approximately 6,900 at the four local offices we visited. Sixty percent of these 42,000 allegations were over a year old.

The Ministry receives fraud allegations concerning ODSP recipients from various sources such as calls to the Ministry's Welfare Fraud Hotline from the public, and through information sharing agreements such as with the Ministry of the Solicitor General to identify social assistance recipients who may be incarcerated. Local ODSP offices are required to complete a preliminary assessment of the allegations relating to clients in their caseloads within 15 business days. If the local office determines that a comprehensive investigation is required, it must be carried out within six months to establish whether it affects the recipient's eligibility for ODSP, whether there has been an overpayment and if the matter should be referred to the police.

If fraud allegations are not reviewed on a timely basis, there is a risk that ineligible recipients can continue to receive ODSP benefits for a longer period, leading to the need to recover even larger overpayments when the caseworker finally completes the investigation.

At the four local offices we visited, we reviewed a sample of fraud allegations that had not yet been preliminarily assessed and a sample of allegations that had been closed as investigated. We found that in the cases where fraud allegations had not been preliminarily assessed, in 67% to 100% of these cases the allegation appeared to be substantial and

warranted further investigation by the caseworker. For example, for one recipient there was an allegation in October 2018 that the recipient was receiving social assistance from Alberta in addition to ODSP. However, at the time of our review, approximately seven months after receiving this allegation, the caseworker had yet to conduct a preliminary assessment. After bringing this outstanding allegation to the caseworker's attention, the caseworker investigated it, terminated the recipient, and determined that the recipient had received overpayments totalling approximately \$17,000.

We also found that steps taken to investigate fraud allegations were not always sufficient. For example, at one office, we noted instances of closed investigations where recipients were asked to merely sign a statement denying the fraud allegation. At another office, we found instances where investigations were closed but it was not evident that caseworkers took any action at all before closing the investigation.

Caseworkers Not Trained to Investigate Fraud

The Ministry advised us that it has made available an online tutorial on controlling fraud, and that a small number of caseworkers have completed it. However, we noted that the Ministry does not periodically provide training to caseworkers on how to assess and investigate allegations of fraud. This possibly contributes to the number of fraud allegations not investigated and weaknesses in the steps taken to investigate allegations. Approximately half of the caseworkers who responded to our survey indicated that they had not received the training they need to capably review, investigate and close fraud allegations. In addition, we were informed that the Ministry has not provided such training to caseworkers since 2010.

Fraud Allegations Concerning Medical Conditions Almost Never Investigated

Although the vast majority of fraud allegations relate to financial matters, a number are also

related to allegations of disability fraud. In such cases, the Ministry expects caseworkers to forward these allegations to the Disability Adjudication Unit (Adjudication Unit) as caseworkers do not have access to an individual's medical information. However, our audit found that this process was not working effectively.

Forty-five percent of the caseworkers who responded to our survey indicated that they had received a fraud allegation relating to a recipient's medical condition. However, approximately one-third of these caseworkers reported that they either did nothing or closed the allegation without investigating or referring it to the Adjudication Unit because they did not think it was their responsibility to do so. A further one-third responded that they investigated it themselves. However, we noted that caseworkers would not have information about the recipient's medical condition to adequately investigate such allegations. Only one-third told us that they would refer the allegation to the Adjudication Unit. However, we were advised by the Adjudication Unit that they had not had any allegations forwarded to them by caseworkers in the past year or in the recent past prior to that.

RECOMMENDATION 13

So that only eligible individuals receive Ontario Disability Support Program (ODSP) benefits, and that overpayments to recipients are identified and minimized, we recommend that the Ministry of Children, Community and Social Services take steps to:

- provide training to caseworkers on how to assess and investigate allegations of fraud;
- conduct a review of its process for assessing and investigating allegations of disability fraud and clearly communicate roles and responsibilities; and
- implement a process to monitor whether allegations of fraud have been reviewed and investigated within required time frames and take corrective action where these time frames have not been met.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation and acknowledges the importance of timely and effective investigations when fraud is alleged.

The Ministry is currently conducting a review of the process to investigate allegations about possible fraud, this includes both financial and disability fraud. This review will identify areas of improvement related to learning and development, roles and responsibilities, and mechanisms to increase oversight and monitoring.

Recommendations from this process review are expected by March 2020. Thereafter, the Ministry will take action to implement the necessary changes to ensure staff responsible for addressing fraud allegations are sufficiently trained, and that oversight processes are put in place to monitor whether fraud allegations are addressed in a timely manner.

4.6.5 Undetected Changes in Eligibility Led to Significant Overpayments

At the four local offices we visited, we reviewed a sample of overpayments to recipients. We found that between 70% and 90% of overpayments had occurred because clients had not reported changes in their circumstances that affected their eligibility and in many cases, at three of these offices, caseworkers had not completed steps designed to detect changes in their eligibility on a timely basis. This includes reviewing ongoing financial eligibility as described in **Section 4.6.1**. For example, in one case, a recipient and their spouse had been receiving Canada Pension Plan benefits that they had not declared to ODSP, as required, since 2011. However, seven years later, the caseworker had yet to identify this because they had not decided that an update of the recipient's application information was necessary. The Ministry only identified this case through its eligibility verification process in 2018; however,

by that point, the recipient had already been overpaid a total of approximately \$104,000 and is likely not in a position to repay it.

We also compared the dates that the overpayments we sampled were detected with when they could have reasonably been detected based on program directives and policies such as for investigating fraud allegations and reporting changes to recipient income. We found that the overpayments had occurred because the change in eligibility had not been reported by the recipient or detected by the caseworker on a timely basis. For example, in one instance, a fraud allegation was received in July 2015 that a recipient had undeclared income and had not reported that a dependent adult no longer resided with them. The caseworker did not assess the allegation in the required time frame of 15 business days. Instead, the caseworker took until January 2017 to start an investigation—almost 18 months later. When the caseworker completed the investigation in March 2017, an overpayment was established totalling almost \$52,000.

Identifying overpayments as early as possible is important to minimize their size and increase the Ministry's chance of recovering these amounts from recipients. In particular, identifying overpayments early can help reduce the amount of overpayments written off when recipients appeal their repayment to the Social Benefits Tribunal (Tribunal). We reviewed a sample of Tribunal decisions concerning overpayments and found that in approximately half of these cases, the Tribunal deemed the overpayments uncollectible and the debt forgiven. This is because the Tribunal determined that these overpayments could have been avoided had the Ministry carried out all its responsibilities, or the Tribunal determined that there was no intent by the recipient to withhold relevant information, or that repaying the overpayment would cause the recipient undue hardship.

This included an instance where a recipient had not informed the Ministry caseworker about increases to their federal pensions benefits, or that their spouse also started to receive federal pension

benefits. The caseworker did not detect this for five years, and only discovered this after the recipient made an inquiry about accessing a new benefit. The caseworker subsequently reviewed this file and established that the recipient was overpaid approximately \$44,000. Upon appeal, the Tribunal acknowledged the sustained workload in the local ODSP office but determined that had the local office followed up on the information it had the overpayment could have been avoided. In addition, the Tribunal ruled that the overpayment was not collectible because it determined that the recipient had no intention to deceive the Ministry, and that it would cause the recipient undue hardship.

Based on the Ministry's data, since 2009/10, following our last audit of the program, overpayments have been made totalling \$1.067 billion. This amount excludes 2015/16, when technical issues with the implementation of the Ministry's IT system led to an increase in overpayments. Since 2009/10, the Ministry has written off a total of \$409 million of uncollected overpayments.

As of March 2019, \$622 million in overpayments to recipients remains uncollected; \$281 million relates to current recipients of ODSP and \$341 million relates to former recipients. We noted that the Ministry can recover overpayments to individuals who are receiving financial assistance through automated deductions from future monthly income support payments at a rate of between 5% and 10% until the overpayment is repaid. However, for individuals who no longer receive assistance, recovery of overpayments generally requires more effort. Therefore, identifying overpayments as early as possible while individuals are actively receiving ODSP benefits can minimize the size of overpayments and increase the proportion of overpayments recovered by the Ministry.

Underlying Causes of Overpayments Not Tracked, Limiting Ability to Prevent Them

As we reported in our audit of Ontario Works in our *2018 Annual Report*, the Ministry's Social Assistance Management System (SAMS) determines the

reason that overpayments have occurred. However, these system-generated reasons are too general for the Ministry to understand the most common systemic causes of overpayments. Without this information, the Ministry cannot analyze how they occurred to identify how to prevent or reduce future overpayments. This is the same situation with respect to ODSP overpayments.

RECOMMENDATION 14

To reduce the number and size of overpayments to recipients, we recommend that the Ministry of Children, Community and Social Services enhance its systems and processes to determine and record the cause of overpayments, to analyze the root causes and take action to reduce the length of time to identify them, and minimize their occurrence.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation and that action should be taken to reduce the occurrence of overpayments where possible, and will be undertaking the following in the 2020/21 fiscal year to support enhanced efforts in the prevention and timely detection of overpayments:

- enhancing its data analytics capacity as well as third-party information sharing to identify high risk cases; and
- increasing the number of eligibility reviews completed on cases with a higher likelihood of overpayments.

In addition, the following initiatives are part of the Ministry's service delivery modernization plan that the Ministry expects will have an impact on reducing the occurrence of overpayments:

- introducing flexible and convenient service channels (e.g., online) for recipients to report earnings and changes in circumstances in a timelier manner; and

- streamlining the process for accessing federal seniors' benefit programs for recipients aged 65 and older to reduce the occurrence of overpayments as recipients transition to these programs.

The Ministry also acknowledges that information on the root causes of overpayments will help in determining appropriate actions to address their occurrence. Therefore, the Ministry will continue to identify opportunities to collect information, and will enhance its systems and processes to determine and record the cause of overpayments. This will help to reduce the number and size of overpayments, to detect them in a timely manner, and minimize their occurrence.

4.6.6 About 19,000 Medical Reviews Overdue, More Than Half by at Least Two Years

A medical review date should be assigned to applicants unless there is no likelihood of improvement in the person's condition, impairments and restrictions. In these cases, a medical review date of two or five years after the disability decision may be assigned by the Ministry, at which time the Ministry is required to reassess whether the recipient continues to be medically eligible for ODSP (see **Section 2.2.3**). As of March 2019, the Ministry had not followed up on approximately 19,000 recipients whose medical reviews were overdue, and more than half of these were overdue by at least two years or more. Because medical reviews have not been conducted, there is a possibility that these recipients' medical conditions have improved and they no longer medically qualify for ODSP.

Medical Reviews to Confirm Continued Eligibility Cancelled

In February 2015, the Ministry implemented a process to review all recipients with an outstanding medical review to determine whether their medical

review should proceed. According to the Ministry, adjudicators responsible for making these decisions consider the original decision and decide whether there is a clear need for the medical review to go ahead, taking into consideration the likely degradation of the recipient's condition and changes in medical science. Adjudicators do not request new medical information or an update to the recipient's information as part of this process.

In the past two years, based on review of the Ministry's data, we calculated that through this process, adjudicators determined that 47% (20,810) of outstanding medical reviews were not required. In all these cases, the adjudicator determined that, instead, the individual was disabled for life. We reviewed a sample of these decisions and found that for 90% of these, there was insufficient documentation to understand how the adjudicator had reached their conclusion to cancel the medical review. In these cases, a medical review may still have been appropriate based on the information in the original application.

RECOMMENDATION 15

So that the Ministry of Children, Community and Social Services (Ministry) only provides Ontario Disability Support Program (ODSP) payments to eligible recipients, and overpayments to ineligible individuals are minimized, we recommend that the Ministry carry out medical reviews on a timely basis in accordance with its requirements to determine whether recipients continue to have disabilities that meet the eligibility requirements for ODSP.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the importance of completing medical reviews on a timely basis. The Ministry will continue to complete medical reviews with the goal of eliminating the remaining backlog by March 2021.

4.7 Most Non-disabled Adults Not Participating in Required Employment Assistance Activities

Non-disabled adults in family units receiving ODSP benefits are required to participate in Ontario Works employment assistance activities, unless they have been granted a waiver by their caseworker from doing so. The intent of this policy is that if a recipient's non-disabled spouse and other dependent adults, such as adult children, find employment, the family unit may be able to reduce its financial dependence on ODSP or leave the program.

As of March 2019, approximately 57,000 non-disabled adults in family units were on the ODSP caseload. We reviewed the Ministry's data and found that approximately 43,000 (75%) of these adults were not participating in employment assistance activities even though their requirement to do so had not been waived. At the four ODSP offices we visited, we selected a sample of files with non-disabled adults who were not participating in employment assistance activities and determined that in almost all cases they either should have been participating or there was insufficient documentation to support why they were not. Specifically, we found:

- Approximately 45% of the non-disabled adults had not been referred to Ontario Works employment assistance activities by their ODSP caseworker as required. In around half of these cases, the ODSP caseworkers told us that the individuals should be waived from participating in these activities but they had not officially waived the requirement. They could not demonstrate with sufficient supporting documentation that the individuals should be waived.
- Approximately one-third of the non-disabled adults had been referred to Ontario Works but were not participating due to lack of follow-up by the Ontario Works and ODSP caseworkers. We found that the ODSP caseworkers notified the Ontario Works office

of the referral through the Ministry's Social Assistance Management System, but an Ontario Works caseworker had not followed up on the referral to meet with the adult.

- About 20% of the non-disabled adults had received a waiver from participating in employment assistance activities but the waiver had expired. We found that neither the ODSP nor the Ontario Works caseworker had followed up to see whether the adult's circumstances had changed and they could now participate.

In our survey of caseworkers, 75% of caseworkers who indicated that they did not always promptly refer non-disabled adults to Ontario Works or obtain documentation to grant them a waiver, indicated that it was because they did not have time due to their workload and other priorities.

We also asked caseworkers whether Ontario Works caseworkers were meeting with the non-disabled adults that they had referred to employment assistance activities, and whether these adults were actively participating in such activities. Approximately one-quarter responded that they were not, or that they did not know.

It was also evident from caseworkers' responses to our survey that roles and responsibilities between ODSP and Ontario Works caseworkers need to be clarified. ODSP caseworkers were unclear who is responsible for ensuring that the non-disabled adults they refer to Ontario Works employment assistance activities subsequently participate. Approximately 10% of caseworkers told us that it was the ODSP caseworker's responsibility, 30% told us that it was both the ODSP and Ontario Works caseworker's responsibility and 60% told us that it was the Ontario Works caseworker's responsibility.

Our findings highlight that the Ministry needs to review its processes, and the tools available to caseworkers, so that they can effectively monitor whether non-disabled adults in their caseload are actively participating in Ontario Works employment assistance activities, or, where they are not, whether a valid and up-to-date waiver is in place.

RECOMMENDATION 16

To improve the employment outcomes of non-disabled adults on the Ontario Disability Support Program (ODSP), we recommend that the Ministry of Children, Community and Social Services:

- review and update its process for referrals to Ontario Works employment assistance to ensure that all referrals are identified and acted upon on a timely basis;
- implement a process to monitor whether all non-disabled adults have been referred to Ontario Works employment assistance or have a valid waiver in place;
- take corrective action in instances where ODSP offices and their caseworkers are not complying with the requirement to refer non-disabled adults to Ontario Works employment assistance, or ensure that valid waivers are in place; and
- put in place mechanisms to hold Ontario Works service managers accountable in the instances of non-compliance with responsibilities in relation to participation for non-disabled adults on ODSP.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees that more can be done to ensure that all non-disabled adults are either referred to appropriate employment supports or waived from participation in employment activities for valid and documented reasons.

The government is transforming Ontario's employment services to make them more efficient, more streamlined, and outcomes-focused. As part of Employment Services Transformation, a new service delivery model will integrate ODSP and Ontario Works employment services, as well as other government employment services, into Employment Ontario to create a system that is more responsive to the needs of job seekers, businesses and local communities.

This transformation will roll out in three prototype areas beginning in April 2020, with this phase running until October 2020. During the prototype phase, the Ministry will review the assessment and referral processes for non-disabled adults to enhance their access to high-quality, appropriate employment services wherever possible by October 2020. This review will include updating mechanisms for identifying cases that require review, documenting valid waivers, and making referrals as appropriate, as well as tools to monitor results, and ensure that valid waivers or referrals are in place in all cases. Corrective action will be taken thereafter where they are not.

The Ministry will build on experiences and outcomes in the prototype areas to enhance referral processes as Employment Services Transformation is fully implemented across the province over the next few years.

To strengthen accountability in this area, the Ministry will include the requirement of Ontario Works delivery partners providing employment services to non-disabled adults as an Ontario Works service planning priority for 2020/21, as well as ongoing performance monitoring. The Ministry will also assess, by June 2021, other mechanisms that can be used to strengthen accountability in this area, and take action thereafter to implement and monitor the effectiveness of these mechanisms.

4.8 Large Caseloads Impact Ability of Caseworkers to Carry Out Roles and Responsibilities Effectively

We found that the Ministry has not established benchmarks for ODSP caseworker caseloads to ensure that caseworkers are able to meet their obligations and to execute their responsibilities efficiently and effectively.

At the time of our 2009 audit, the average caseworker's caseload was 266 recipient cases, which included either single individuals or family

Figure 22: Average Caseload per Caseworker at Offices Visited, 2015/16–2018/19

Source of data: Ministry of Children, Community and Social Services

	2015/16	2016/17	2017/18	2018/19
Hamilton	295	307	316	321
Ottawa	304	313	322	336
Sudbury	276	301	297	307
Willowdale	286	298	319	281

units. At the time of our current audit, we found that the average caseload had increased to 323 recipient cases because of the overall growth in the number of individuals and families receiving ODSP. **Figure 22** shows the average ODSP caseload per caseworker between 2015/16 and 2018/19 at the four ODSP offices we visited.

Caseworkers across Ontario who responded to our survey also reported that their current caseloads were in this range, and in some cases significantly higher. Approximately 10% indicated that their caseloads were over 450 recipient cases.

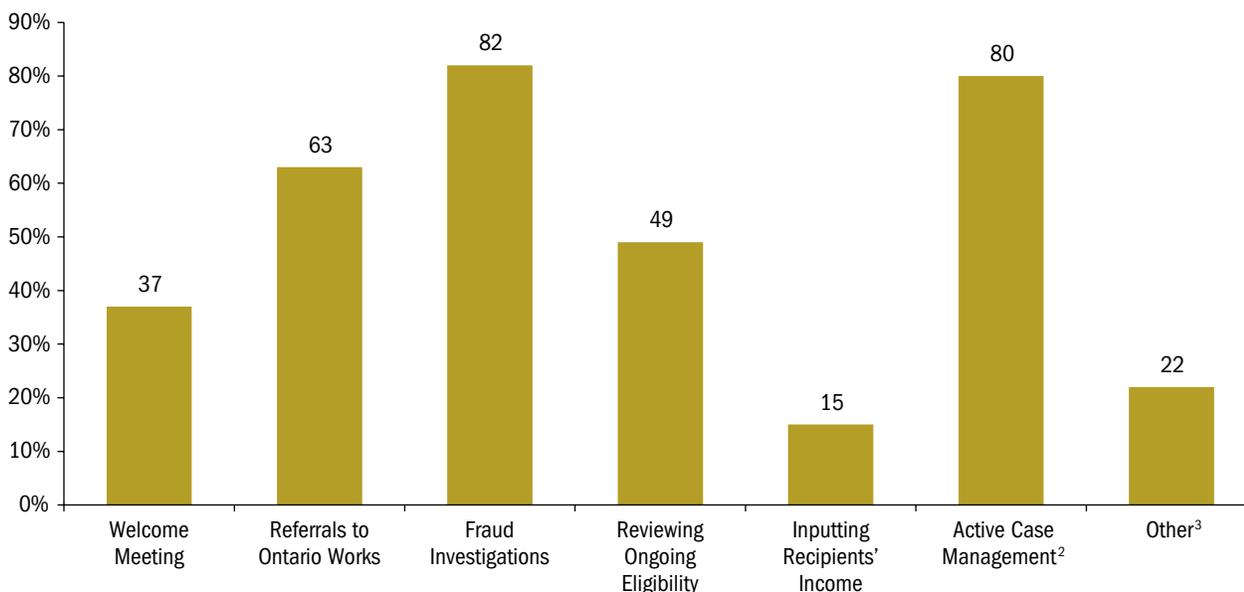
The size of caseworkers' caseloads is likely a contributing factor to several of our audit findings throughout this report related to caseworker responsibilities. However, similar to our observations in 2009, we noted that the Ministry does not have caseload benchmarks to assess whether staffing is sufficient to perform all necessary case management functions adequately.

In our survey, we asked caseworkers whether they felt they were able to manage their caseload to effectively carry out all of the duties and responsibilities expected of them; 54% reported that they were unable to do so. **Figure 23** shows the duties that these caseworkers indicated they were unable to perform.

We also asked caseworkers whether they were confident that all the recipients in their caseload met the financial eligibility requirements for ODSP—determining financial eligibility is one of the primary responsibilities of a caseworker. Over 40% of those who responded said that they were not. One of the main reasons cited included unmanageable caseloads making it impossible to complete

Figure 23: Duties Caseworkers¹ Reported Being Unable to Carry Out Effectively Due to Size of Caseload

Prepared by the Office of the Auditor General of Ontario



1. Caseworkers who responded to our survey.

2. Active case management—caseworkers are expected to maintain a case management plan for each recipient that identifies their individual goals, including employment goals, and to update the plan as the recipient progresses or their circumstances change.

3. Other includes issuing health-related benefits for clients, processing vendor payments and managing absent caseworkers' caseloads.

regular file reviews or contact clients to confirm eligibility. Many caseworkers also reported that they had not had contact with some recipients in years, or no contact at all.

Although we recommended in our *2009 Annual Report* that the Ministry establish caseworker caseload benchmarks, the Ministry had not yet reviewed caseworker caseloads to determine what an appropriate ratio of recipient cases per caseworker should be. In April 2018, the Ministry did study how much time ODSP front-line staff, including caseworkers, spend on activities in the delivery of ODSP in order to establish a baseline for the time spent on different activities. However, the Ministry has not used this study to review the appropriateness of caseloads and consider whether caseworkers can perform all the duties the Ministry requires given the current caseloads.

RECOMMENDATION 17

So that Ontario Disability Support Program (ODSP) caseworkers can effectively carry out their responsibilities designed to achieve program expectations and requirements, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- assess workloads and processes to establish a roadmap that clearly identifies the Ministry's intermediate and longer-term actions to improve the ability of caseworkers to handle ODSP cases; and
- implement the actions identified in the roadmap so that program requirements can be met.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation and by June 2020 will establish

a roadmap identifying intermediate and longer-term actions that will improve the ability of ODSP caseworkers to effectively carry out their responsibilities, including supporting clients with their employment goals. After completing the roadmap, the Ministry will begin to implement actions to ensure program requirements are met.

4.9 Ministry Refers Few ODSP Recipients to Employment Supports

4.9.1. Fewer than 2% of Disabled Adults Referred to Employment Supports Providers

The aim of ODSP employment supports is to assist people with disabilities to increase their economic independence through employment. Participation in the program is optional; even so, we identified that between 2012/13 and 2018/19, just 2% of recipients took part in the employment supports program in any given year.

Infrequent Contact with Recipients Limits Opportunities to Encourage Participation in Employment Supports

At the four offices we visited, we found that in the vast majority of cases we reviewed, caseworkers discussed employment supports with recipients when they first began to receive ODSP benefits.

In our survey of caseworkers, 75% told us that actively engaging with ODSP clients was between somewhat and very helpful in assisting them to meet their long-term goals, including employment goals. However, as described in **Section 4.6**, we found that ongoing contact with recipients was infrequent. We also found that in 2014, the Ministry suspended the requirement (in order to implement SAMS) to maintain an ongoing case management plan for each recipient. The case management plan identifies each recipient's goals, including employment goals. Prior to the suspension, caseworkers were required to update case management plans as

the recipient progressed toward their goals or their circumstances changed.

4.9.2 Ministry Does Not Know How Many ODSP Recipients Would Benefit from Participating in Employment Supports

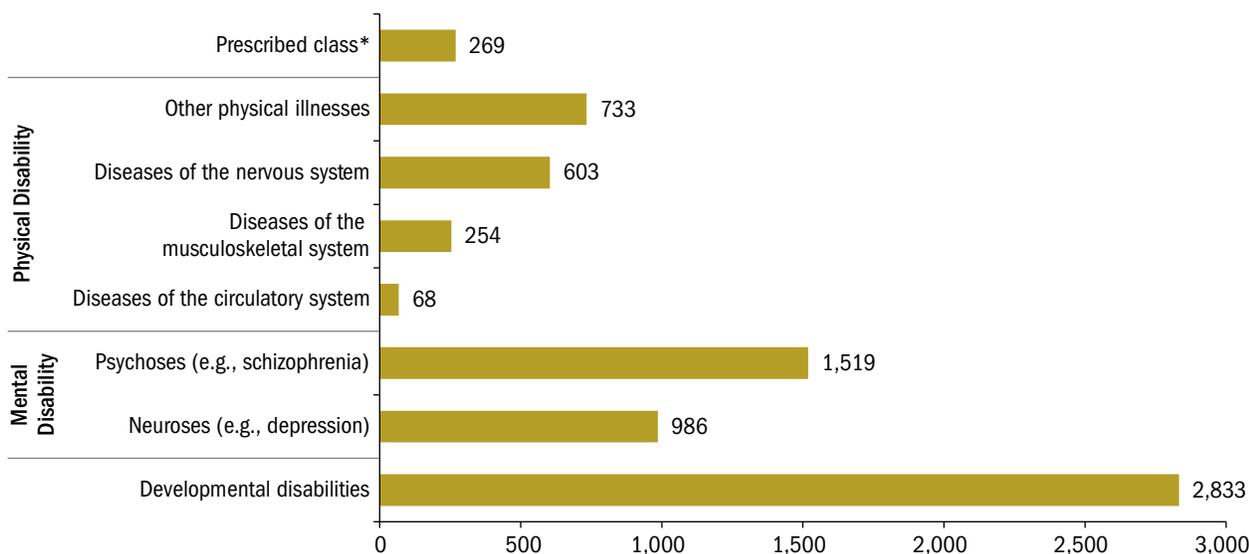
ODSP recipients can have different disabilities that pose different barriers to their ability to obtain and retain employment. We noted that the Ministry tracks the types of disabilities all ODSP recipients have (see **Figure 8**) including those participating in employment supports (see **Figure 24**), and tracks how many individuals caseworkers refer to employment supports service providers. However, we found that the Ministry has not assessed, and does not know how many individuals on the ODSP caseload could benefit from participating in employment supports activities. Such activities could help them obtain employment and increase their economic independence, and, for some, potentially earning sufficient income to no longer require ODSP income support.

4.9.3 Ministry Has Little Information on Whether Service Providers Help ODSP Recipients to Obtain Long-Term Employment

Employment support service providers are compensated based on employment outcomes. These include the number of individuals placed in a job earning at least minimum wage for six and 13 cumulative weeks, and for the number of consecutive months thereafter, up to 33 months, that an individual continues to be employed. **Figure 25** illustrates the number of placements and jobs retained between 2012/13 and 2018/19. Although the number of six- and 13-week job placements has increased by 28% and 30% respectively between 2012/13 and 2018/19, the percentage of referrals placed in six- and 13-week job placements was relatively consistent between 2012/13 and 2018/19, at around 40% and 50% respectively.

Figure 24: Number of Individuals by Disability Type Participating in Employment Supports, 2018/19

Source of data: Ministry of Children, Community and Social Services



* Members of a prescribed class can include, but are not limited to, recipients of federal Canada Pension Plan Disability Benefits, former recipients (or spouse) who received income support from the Family Benefits Program up until May 31, 1998, and individuals who are 65 years old or over and not eligible for Old Age Security. These members only need to establish financial eligibility for the Ontario Disability Support Program.

Figure 25: Number of Referrals, Job Starts, Placements and Job Retention, 2012/13–2018/19

Source of data: Ministry of Children, Community and Social Services

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Referrals	5,772	6,254	6,646	6,604	6,735	7,160	6,722
Six-Week Job Start	2,679	2,998	3,186	3,128	3,399	3,535	3,429
13-Week Job Placement	2,264	2,406	2,649	2,548	2,818	2,914	2,949
Job Retention	4,579	4,771	5,182	5,451	5,736	5,920	6,048

We also noted that although the number of jobs retained increased by about 30% from 2012/13 to 2018/19, the Ministry nevertheless tracks little about whether ODSP recipients obtain employment in steady, long-term jobs. This is because jobs retained—per the Ministry’s tracking—can relate to any period of time more than 13 weeks and up to an additional 33 months rather than consecutive months of uninterrupted employment.

In addition, although the Ministry does track the total number of individuals who leave ODSP due to employment income, the Ministry does not track the proportion of those individuals who participated in employment supports who left the

program because they earned enough to no longer require ODSP support.

We noted that an evaluation of the employment supports program commissioned by the Ministry in 2012 highlighted that just 1.5% of ODSP recipients who participated in the program were able to exit ODSP due to their employment earnings. The evaluation also highlighted that just over 20% managed to work for more than one year over the course of the 33 months following a 13-week job placement.

4.9.4 Ministry Not Evaluating whether Employment Support Providers Supply Quality, Consistent Services

The Ministry compensates service providers for achieving job placements and for the number of months that recipients retain jobs over a period of time (see **Section 2.4**). However, the Ministry does not evaluate how service providers use the funding they receive for achieving job placements or retention, or what services they provide to ODSP recipients to ensure that the Ministry obtains value for money. We noted that a 2012 evaluation of employment support programs commissioned by the Ministry recommended that the Ministry consider reviewing how it funds service providers, including considering the actual cost of providing services and service quality.

We visited 13 service providers and found that the services available to participants varied considerably among providers. For example, some providers offered additional supports and services to participants beyond what was required by their ODSP contract, such as assisting participants with housing or getting access to medical care. We also found that some providers paid for some training for participants—for example, to achieve basic industry certificates—while others did not.

Some providers also had recreation facilities or wellness activities available such as a fitness centre. Some providers told us that they were able to offer these services because they are charities and can use funding from different sources, not just ODSP, to invest in their facilities and community programs that are accessed by all their clients, including ODSP recipients. In 2018/19, approximately 30% of the providers were for profit and the rest were not-for-profit.

4.9.5 ODSP May Be Paying Some Providers for Job Placements Achieved Using Other Government Employment Programs

The Ministry does not monitor how service providers achieve their job placements. Our audit identified a risk that some ODSP employment service providers may be paid for job placements achieved in part or in whole by enrolling their clients in Employment Ontario programs, which are funded by the Ministry of Labour, Training and Skills Development. Employment Ontario programs offer incentives to employers that are not available in the ODSP employment supports program, including signing bonuses, training allowances and placement incentives.

We obtained a list of participants who enrolled with Employment Ontario service providers that offer similar services to ODSP employment support service providers, such as job search, job matching, job coaching and job placement. We compared this to a list of participants enrolled with ODSP employment support service providers for the regions of Hamilton/Niagara and Eastern Ontario and identified approximately 250 individuals who may have accessed both programs in the same fiscal year.

Based on this comparison we identified concerns that some ODSP employment support providers may be achieving job placements in some cases due to the assistance of an Employment Ontario program that offers incentives to employers. Nevertheless, in these cases, the ODSP employment support provider still receives full payment for that placement through the ODSP employment supports program.

There is also a risk that these job placements are being recorded as “achieved” by both Employment Ontario service providers as well as the ODSP employment supports provider, even though they may relate to the same client and the same placement. This would mean that both the Ministry and Employment Ontario may have paid to place the same individual in employment.

RECOMMENDATION 18

To better help Ontario Disability Support Program (ODSP) recipients to increase their economic independence, we recommend that the Ministry of Children, Community and Social Services (Ministry):

- periodically provide information on employment supports to all ODSP recipients who can benefit from them;
- assess the disabilities of recipients on the ODSP caseload to determine the proportion and number of recipients who can benefit from participating in employment supports;
- explore options to increase the number of ODSP recipients referred to employment supports to help increase the proportion of recipients who become more economically independent;
- track additional information from employment support service providers on employment outcomes, monitor whether recipients obtain long-term employment and earn sufficient income to exit from ODSP, and take corrective action where outcomes do not meet Ministry expectations;
- review the services provided by employment support service providers to determine whether they are meeting recipients' needs and assess and take steps to ensure they provide value for money;
- obtain data from the Ministry of Labour, Training and Skills Development to identify individuals who have been provided similar employment support services by both Employment Ontario service providers and ODSP service providers, and take action to recover payments where two service providers have been paid for the same job placement; and
- work with the Ministry of Labour, Training and Skills Development to put in place processes that prevent payment to two different service providers for the same employment outcomes.

MINISTRY RESPONSE

The government is transforming Ontario's employment services to make them more efficient, streamlined and outcomes focused. Employment Services Transformation will establish a new service delivery model that integrates ODSP Employment Supports, Ontario Works employment services, and other government employment services. As Employment Services Transformation is implemented, employment services will be delivered under a new delivery, funding and performance management framework. The Ministry of Labour, Training and Skills Development (MLTSD) will roll out the new model in three prototype areas beginning in April 2020, with a transition phase running until October 2020.

The Ministry plans to introduce Individual Action Plans (IAPs) to support ODSP recipients by identifying barriers to achieving their goals, including their employment goals, and to help them to take steps to overcome these barriers. Under the transformed employment delivery system, ODSP caseworkers will work closely with Employment Ontario, using the information from each ODSP recipient's IAP, to provide recipients with information about employment service options that are relevant to their needs.

Caseworkers will also discuss life stabilization as it relates to employment goals both through development of Individual Action Plans and through the use of Employment Service Transformation's Common Assessment (currently under development). The Common Assessment will provide a structured method to identify client strengths and barriers to employment and life stabilization needs, and to identify what level of supports the jobseeker will need to help them find work. The Ministry will collect data from these plans and tools to determine which ODSP recipients can benefit from participating in employment supports.

MLTSD is also implementing a new performance management framework to monitor employment outcomes and work continuously to improve the performance of the system. This includes the level of referrals coming from the social assistance system. Outcomes will continue to vary by client and realistic goals that support client independence will be set.

The Ministry also agrees that ODSP employment supports service providers should provide value for money. The current, outcomes-based funding framework is designed to ensure that the Ministry pays only for results. While ODSP employment supports will be replaced by the transformed employment system over time, in the interim, Ministry staff will monitor services, outcomes, and customer satisfaction to ensure that the right services are in place, and take action where they are not.

The Ministry is developing a performance measurement framework for ODSP that will establish targets for the number of ODSP recipients that can both access these services, and obtain employment and earn sufficient income to no longer require ODSP income support. In addition, indicators will be established to help the Ministry measure whether these targets are met, and to take action where they are not.

The potential for payment duplication for the same services to one client will be addressed after the Employment Service Transformation is complete and services are integrated. In the interim, the Ministry will work with MLTSD to identify common clients and develop a process to ensure that no duplication of funding is provided to service providers, and take appropriate steps where duplicate funding has been provided.

4.10 Ministry Has Not Developed Outcome Indicators and Targets to Evaluate if ODSP Goals Achieved

Although the Ministry does track operational statistics related to ODSP, such as the average number of days to adjudicate applications, we found that it has not determined what the desired outcomes for the program and its recipients are, or developed corresponding performance indicators to track whether these outcomes are met.

The Ministry expected to finalize an outcomes framework for its social assistance programs in 2018, but work was not completed and is on hold following recent government announcements of proposed changes to social assistance programs.

The Ministry does not publicly report on any performance measures related to ODSP.

RECOMMENDATION 19

To measure and improve the efficiency and effectiveness of the Ontario Disability Support Program (ODSP) for those using its supports and services, and to increase accountability of the program to Ontario taxpayers, we recommend that the Ministry of Children, Community and Social Services:

- design and implement performance indicators and related targets for intended program and recipient outcomes;
- implement a process to monitor the performance of the program against these indicators and targets and take corrective action where targets are not being met; and
- report publicly on the effectiveness of ODSP.

MINISTRY RESPONSE

The Ministry of Children, Community and Social Services (Ministry) agrees with the recommendation, and will finalize an outcomes framework for its social assistance programs, including ODSP.

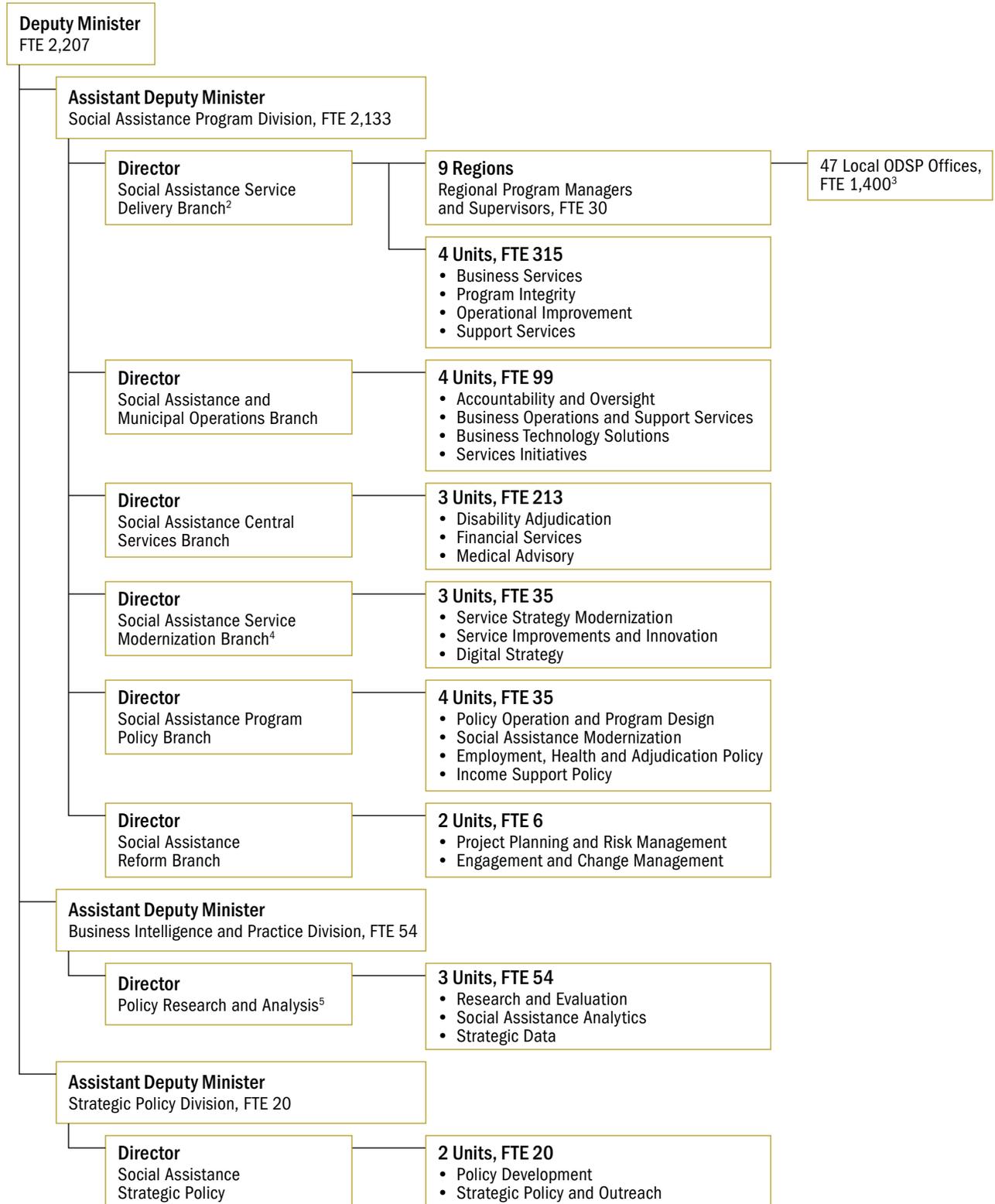
The Ministry will implement an outcomes framework that establishes clear expectations and targets for ODSP and ODSP recipients by March 2021.

In November 2019, the Ministry created the Social Assistance Performance and Accountability Branch, to bring a focused responsibility to program performance and accountability. One responsibility of this new branch will be to begin monitoring, in the 2021/22 fiscal year, the performance of the program against targets established in the Ministry's outcome framework, and take action where targets are not met.

The Ministry will also establish a timetable and process to begin to publicly report on the effectiveness of the ODSP program.

Appendix 1: Ontario Disability Support Program (ODSP) Organizational Structure,¹ June 2019

Source of data: Ministry of Children, Community and Social Services



1. The organizational structure relates to the number of full-time equivalent (FTE) positions in the administration and delivery of ODSP.
2. This branch's responsibilities include oversight, monitoring and providing advice on program delivery, enhancing program integrity through the eligibility verification process, quality assurance and investigations of fraud, identifying strategies for improvement, and managing Human Resource-related matters and other client issues.
3. The Ministry of Children, Community and Social Services (Ministry) operates 47 local offices to deliver ODSP to residents who live in the different geographical areas of the province. Approximately 1,400 caseworkers and administrative support clerks work in the offices. The offices are overseen by approximately 30 regional program managers and supervisors.
4. The branch is responsible for leading the development and implementation of projects that support a modern, responsive, efficient, cost-effective and sustainable service delivery system that is focused on recipients and supports integration across Ministry programs.
5. This branch is responsible for data governance and oversight, and improving access to data across the Ministry. It is also responsible for producing caseload and expenditure forecasts and statistical reports, developing performance measures and data collection tools, evaluating programs, and leading research activities.

Appendix 2: 2018/19 Office Caseloads and Income Support Expenditures

Source of data: Ministry of Children, Community and Social Services

	Local Office	Average Monthly Caseload	% Share of Caseload	Income Support (\$ million)	% Share of Income Support
West Program Office 1	Chatham	4,473	1.2	60.8	1.1
	London	18,105	4.9	238.6	4.5
	Owen Sound	5,031	1.3	65.6	1.2
	Sarnia	3,918	1.1	51.7	1.0
	Stratford	3,587	1.0	45.9	0.9
	Windsor	13,638	3.7	187.4	3.5
	Total	48,752	13.2	650.0	12.2
West Program Office 2	Brantford	5,639	1.5	85.2	1.6
	Hamilton	20,571	5.5	289.4	5.4
	Simcoe	3,202	0.9	40.9	0.8
	St. Catharines	16,437	4.4	229.8	4.3
	Woodstock	2,761	0.7	35.6	0.7
	Total	48,610	13.0	680.9	12.8
North Program Office 1	Kenora	2,303	0.6	30.1	0.6
	Sault Ste. Marie	5,944	1.6	83.6	1.6
	Thunder Bay	5,971	1.6	78.1	1.5
	Total	14,218	3.8	191.8	3.7
North Program Office 2	Kirkland Lake	1,540	0.4	21.4	0.4
	Timmins	3,444	0.9	48.6	0.9
	Sudbury	8,069	2.2	111.7	2.1
	North Bay	4,811	1.3	70.8	1.3
	Bracebridge	3,176	0.9	45.3	0.9
	Total	21,040	5.7	297.8	5.6
East Program Office 1	Cornwall	5,167	1.4	74.2	1.4
	Hawkesbury	2,818	0.8	39.5	0.7
	Ottawa	25,094	6.8	338.9	6.4
	Pembroke	2,207	0.6	31.1	0.6
	Renfrew	1,446	0.4	19.7	0.4
	Smiths Falls	2,875	0.8	39.6	0.7
	Brockville	3,382	0.9	47.7	0.9
	Total	42,989	11.7	590.7	11.1
East Program Office 2	Belleville	10,650	2.9	153.9	2.9
	Kingston	7,618	2.1	104.5	2.0
	Lindsay	2,478	0.7	33.0	0.6
	Oshawa	14,199	3.8	195.5	3.7
	Peterborough	8,246	2.2	115.5	2.2
	Total	43,191	11.7	602.4	11.4

	Local Office	Average Monthly Caseload	% Share of Caseload	Income Support (\$ million)	% Share of Income Support
Central Program Office 1	Barrie	8,396	2.2	118.3	2.2
	Guelph	5,630	1.5	72.8	1.4
	Orillia	5,127	1.4	69.3	1.3
	Newmarket	13,233	3.6	183.2	3.4
	Total	32,386	8.7	443.6	8.3
Central Program Office 2	Brampton	9,635	2.6	133.5	2.5
	Burlington	6,051	1.6	78.1	1.5
	Cambridge	3,590	1.0	46.7	0.9
	Kitchener/Waterloo	8,976	2.4	120.8	2.3
	Mississauga	10,637	2.9	146.9	2.8
	Total	38,889	10.5	526.0	10.0
Toronto Program Office	Yorkgate	11,611	3.1	175.0	3.3
	Lawrence Heights	11,301	3.0	159.0	3.0
	Parkdale	11,753	3.2	157.5	3.0
	Willowdale	11,322	3.1	169.6	3.2
	111 Wellesley Street East	11,647	3.1	153.0	2.9
	Golden Mile	11,339	3.1	164.5	3.1
	Malvern	11,626	3.1	171.2	3.2
	Total	80,599	21.7	1,149.8	21.7
Other payments and adjustments*				192.2	
Total		370,674	100.0	5,325.2	

* Primarily relates to payments direct to vendors for health-related benefits for recipients, such as dental care.

Appendix 3: Comparison of Local Office Caseload Growth or Reduction Compared with Provincial Average, 2008/09–2018/19 (%)

Source of data: Ministry of Children, Community and Social Services

Fiscal Year	Province	Local Office ¹	
		High	Low
2008/09	5.0	8.6 Barrie ² Cambridge ²	0.4 North Bay
2009/10	5.7	9.7 Cambridge ²	1.4 North Bay
2010/11	5.6	9.5 Kingston	(3.9) Smiths Falls
2011/12	4.9	8.9 Brampton ²	(4.1) Smiths Falls
2012/13	4.5	14.9 London	(1.5) Kirkland Lake
2013/14	3.7	12.5 London	(0.9) Kirkland Lake
2014/15	3.9	8.0 Barrie ²	0.6 Timmins
2015/16	3.0	6.7 Brampton ²	(0.4) Timmins
2016/17	3.0	6.0 Brampton ²	0.7 Cornwall
2017/18	3.8	5.9 Barrie ² Brampton ²	1.5 Thunder Bay ³
2018/19	3.2	13.0 Simcoe	(13.1) Lindsay ⁴

1. Excludes offices with incomplete data in specific years.
2. The Ministry of Children, Community and Social Services (Ministry) advised us that high caseload growth rates in Barrie, Brampton and Cambridge were due to proportionately more new applications in these offices compared with the number of cases that exited the Ontario Disability Support Program (ODSP).
3. The Ministry advised us that caseload growth in Thunder Bay was low in 2017/18 because that was the fiscal year that cases began to exit ODSP for the Basic Income Pilot project.
4. The Ministry advised us that the significant reduction in caseload for the Lindsay office in 2018/19 is due to a number of recipients who exited ODSP in fiscal 2017/18 to participate in the Basic Income Pilot project.

Appendix 4: Adjudicator and Caseworker Key Responsibilities and Experience

Sources of data: Ministry of Children, Community and Social Services and information obtained by the Office of the Auditor General of Ontario

	Disability Determination Adjudicators (Adjudicators)	Caseworkers
# of employees	70 ¹	1,108 ²
Location and key responsibilities	<p>Adjudicators are a centralized team within the Ministry's Disability Determination Unit, based at the Ministry's corporate office in Toronto.</p> <p>Adjudicators are responsible for determining and reviewing the medical eligibility of applicants for ODSP. As a centralized unit reviewing applications from across the province, adjudicators do not meet with applicants or recipients.</p>	<p>Caseworkers are based in local offices across the province. See Appendix 2 for a list of local ODSP offices.</p> <p>Caseworkers are responsible for meeting with applicants and determining and reviewing their financial eligibility for ODSP. Caseworkers and Administrative Support Clerks at the local ODSP offices are recipients' only point of contact with ODSP and are responsible for ensuring eligible recipients receive benefits to which they are entitled.</p> <p>Caseworkers are also responsible for investigating allegations of recipient fraud, and identifying recipients who may be interested in obtaining employment.</p>
Experience required	<ul style="list-style-type: none"> • Significant knowledge of physical or mental impairments and their impact on activities of daily living normally acquired through a recognized university program leading to a Master's degree or equivalent in nursing; occupational therapy, Health Science, clinical psychology, rehabilitation or with equivalent medical education. • Significant clinical experience in treatment settings for disabled adults • Ability to keep informed of advancements in medical research and changes in treatment practices • Analytical and problem-solving skills • Communication and interpersonal skills • Computer skills 	<ul style="list-style-type: none"> • Knowledge of community services, resources, policies, programs and issues/barriers affecting clients with disabilities • Knowledge of labour market trends • Ability to interpret and apply legislation in order to review or determine program eligibility and identify infractions • Customer service and communication skills • Analytical, planning and organizational skills
Length of time in role (%)	<p><12 months: 0 1–2 years: 26 3–5 years: 26 6–10 years: 17 >10 years: 31</p> <p>Average length of time in role: 8 years¹</p>	<p><12 months:² 12 1–2 years: 19 3–5 years: 17 6–10 years: 38 >10 years: 14</p> <p>Average length of time in role: 7 years</p>
Examples of previous work experience ³	<ul style="list-style-type: none"> • Physician (trained outside of Canada) • Registered nurse • Social worker • Chiropractor • Occupational therapist 	<p>The Ministry does not maintain a listing of caseworkers' background information.</p>

1. As of March 31, 2019.

2. As of June 19, 2019.

3. Represents the most common backgrounds reported in response to the Office of the Auditor General of Ontario's survey of adjudicators.

Appendix 5: Applicant Asset and Income Limits and Exemptions for Ontario Disability Support Program (ODSP) Eligibility

Prepared by the Office of the Auditor General of Ontario

Assets

- As of September 2018, an applicant's net assets must not be greater than \$40,000 for singles, \$50,000 for a couple and \$500 for each dependent other than a spouse.
- Certain assets are exempt, and thus excluded when determining whether an applicant's assets are within prescribed limits.
- Exempt assets include, but are not limited to, a homeowner's principal residence, a primary motor vehicle, locked-in RRSPs, and the proceeds of a life insurance policy to a limit of \$100,000.

Income

- An applicant's income must be less than their potential ODSP income support entitlement (see **Section 2.3**).
- Some sources of income are exempt and excluded in determining an applicant's income including payments from a registered disability savings plan, child support payments, and gifts from friends and family of up to \$10,000 every 12 months.
- When assessing an applicant's income, a caseworker considers income from sources such as the Canada Pension Plan, the Workplace Safety and Insurance Board, Employment Insurance, and employment.
- With respect to employment income, applicants can earn up to \$200 a month without a reduction to their ODSP income support entitlement. Half of all employment income in excess of \$200 per month is considered in determining an applicant's ODSP income support entitlement.

Appendix 6: Comparison of Disability Income Support Programs among Canadian Provinces

Source of data: Ministry of Children, Community and Social Services

	ON	PE	NS	NB	QC	MB	SK	AB	BC
Separate income support program for people with disabilities ¹	Yes	Yes	Yes	No	Yes	No	Yes	Yes	Yes
Definition of Disability									
Degree of impairment	Substantial	Substantial	Chronic and persistent	Major	Significant	Degree of impairment not specified	Significant and enduring	Severe	Severe
Degree of restriction in daily living	Substantial	Substantial	Significant	Severe	Degree of restriction not specified	Degree of restriction not specified	Substantial and requires assistance	Degree of restriction not specified	Significant and requires assistance
Expected duration	One year or more; continuous or recurrent	One year or more; continuous or recurrent	Persistent	Indefinite	Permanent or indefinite	More than 90 days	Longstanding or permanent; continuous or periodic	Continuous and permanent	Two years or more
Employability a factor ²	No	No	No	No	Yes	Yes	No	Yes	No
Monthly Rates (April 2019) and Statistics									
Single person with a disability (\$)	1,169	904	810	663	1,061	1,012	1,114	1,685	1,183
Single parent with a disability, one child (\$)	1,596	1,183	845	974	1,061	1,364	1,386	1,885	1,519
Couple (one disabled), two children (\$)	1,887	1,788	1,170	1,092	1,561	1,756	1,691	1,985	1,821
Caseload (% of total population) ³	2.5	0.9	n/a ⁴	0.8	1.5	n/a ⁴	1.3	1.4	2.0

	ON	PE	NS	NB	QC	MB	SK	AB	BC
Annual Income Support Expenditures, March 31, 2018									
Income support for people with disabilities (\$ million)	5,120	15	338	46	n/a ⁴	235	224	1,059	1,300
Income support for non-disabled people (\$ million)	2,975	36	345	124	n/a ⁴	245	223	870	370
Total income support expenditures (\$ million)	8,095	51	683	170	3,792	480	447	1,929	1,670
Income support for people with disabilities as a % of total income support expenditures	63	29	49.5	27	n/a ⁴	49	50	55	78
Total provincial expenditures (\$ million)	154,266	1,913	11,750	9,272	103,489	16,890	14,322	55,318	51,719
Total provincial surplus (deficit) (\$ million)	(3,700)	75	226	67	4,915	(695)	(303)	(8,023)	301
Income support expenditures as a % of total provincial expenditures	5.3	2.7	5.8	1.8	4	2.8	3.1	3.5	3.2

1. Indicates whether the province has a separate program for people with disabilities. If not, the province has a single income assistance program that includes an additional allowance for a person with a disability.

2. Eligibility requirement specifically mentions that capacity for employment or ability to earn a living is substantially impacted by the applicant's disability.

3. For this interprovincial comparison, caseload data from 2017/18 is used. Source: *Social Assistance Combined Summaries Canada Report – April 2019*, published by Maytree.

4. This information is not available.

Appendix 7: Employment, and Health and Disability-Related Benefits for Ontario Disability Support Program (ODSP)

Source of data: Ministry of Children, Community and Social Services

Health and Disability-Related Benefits	
Assistive devices	Assists with the consumer contribution for devices approved by the Assistive Devices Program (ADP) of the Ministry of Health and with an assessment to determine eligibility for an ADP device if no other funding is available.
Batteries and repairs for mobility devices	Covers the cost of batteries and repairs for mobility devices.
Dental coverage	Basic services provided by dentists and dental hygienists. Children 17 and under receive dental services through the Healthy Smiles Ontario program.
Extended health benefits	If ODSP recipients with high health costs have income that make them financially ineligible, they may receive continued assistance with the cost of various health benefits after leaving ODSP.
Hearing aids	For hearing aids, including batteries and repairs.
Mandatory special necessities	Diabetic supplies. Surgical supplies and dressings. Incontinence supplies. Cost of travel to medical appointments. In addition, the Northern Health Travel Grant reimburses northern Ontarians for travel over 100 kilometres one-way for specialist treatment.
Prescription drug coverage	For drugs listed in the Ontario Drug Benefit formulary.
Vision care	For prescription lenses and frames (once every three years), repairs (at caseworkers' discretion) and routine eye examinations (once every two years). Note: Ontario Health Insurance Plan covers routine eye exams for people under 20 and over 64.

Employment Benefits and Incentives		
Benefit	What is Covered	
Employment benefits	Employment and training start-up benefit	Up to \$500 annually to assist with the costs of finding or starting a job or employment training.
	Employment transition benefit	\$500 benefit to assist with the transition of leaving ODSP due to paid employment.
	Up-front child care benefit	Funding for up-front child-care costs incurred to begin, change or maintain employment or an employment-related activity.
	Work-related benefit	An additional \$100 per month for each month that a client reports earnings, training income or positive net income from a business.
Exemptions and deductions	Attending full-time secondary or post-secondary school	Earnings of full-time students are not deducted from ODSP income support.
	Child-care deductions	Chargeable earnings can be reduced by the actual cost of licensed child-care or by up to \$600 per month for unlicensed child-care costs.
	Disability-related employment expense deductions	Chargeable earnings can be reduced by up to \$1,000 per month for qualifying disability-related employment expenses.
	Earnings exemptions	Monthly \$200 flat rate exemption plus 50% exemption for earnings over \$200.
Other supports for employment	Transitional health benefits	If ODSP recipients have income from employment that make them ineligible, they may receive coverage for drugs, dental, vision care, and batteries and repairs for mobility devices until their employer provides comparable benefits.

Appendix 8: Audit Criteria

Prepared by the Office of the Auditor General of Ontario

1. Applications for Ontario Disability Support Program income support are processed and reviewed on a timely basis, and accurate and consistent decisions on initial eligibility are reached based on appropriate and supportable evidence.
2. Payments to recipients for basic needs, shelter and benefits are correctly calculated and issued on a timely basis to eligible recipients.
3. Timely, accessible and effective employment supports are provided to help recipients with disabilities reduce or eliminate disability-related barriers to employment and increase their economic independence through competitive and sustainable jobs.
4. Recipients' ongoing eligibility is reviewed on a timely basis, and only those who continue to meet all eligibility criteria receive income support.
5. Effective processes are in place to support the prevention and detection of fraud and the timely identification and recovery of overpayments.
6. Effective oversight processes are in place to ensure the program is delivered in accordance with legislative and policy requirements.
7. Meaningful performance measures and targets are established for the program. Results are monitored and compared against targets to ensure that the intended outcomes of the program are achieved. Corrective action is taken on a timely basis when issues are identified.