

Cutting Caseloads by Design: The Impact of the New Service Delivery Model for Ontario Works

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Discussion of welfare reform in Ontario is largely focused on highly visible issues: reduced benefits, tighter eligibility requirements and increased work requirements. However, a less well publicized, but equally important, set of changes has been designed and implemented. This concerns the *way* welfare is delivered or the “Service Delivery Model” (SDM). A recent review of welfare reform initiatives across Canada concluded that administrative practices have as important an effect on outcomes as any other component of reform (Human Resources Development Canada, 2000). Burdensome and inflexible requirements create administrative pretexts for denying benefits or, as the authors of the review express it, simply “scare” people away from applying.” This article argues that while the stated goals of the SDM are to reduce costs, enhance program integrity and improve client services, the real intent is to restrict entry and reduce benefits. This systematic denial occurs as social assistance applicants are discouraged, diverted and disempowered through cumbersome and complicated application and appeals processes, deliberately confusing procedures and language and excessive and inappropriate requests for information. Evidence of this is shown through reference to two significant changes: the introduction of a two-step application process and ongoing eligibility verification.

New Service Delivery Model

In 1997 the Progressive Conservative provincial government joined forces with Andersen Consulting (now “Accenture”) to design a new delivery system for social assistance. Front and centre in the Business Transformation Project (BTP) were

concerns about rising caseloads and costs, notably from perceived fraud. Consequently, the new SDM was designed to combine new technologies with tighter verification procedures to meet its declared goals of reducing costs, and improving both program integrity and client services. This new system has been in operation across the Province since January 2002 and includes the following key features:

- A common province-wide database to provide real-time access to case information and avoid duplication.
- Two-step intake process to reduce the number of client interviews and generally improve client service.
- Third Party Interfaces to provide automated verification of client information.
- Interactive Voice Response (IVR) system offering improved access to information for clients and allowing income to be reported (not yet implemented).
- Streamlined case management to reduce staff time on case administration by reducing and/or automating manual processes to track client information.

Two-Step Intake

According to the Ontario government, the intention of the two-step intake process¹ is to have fewer ineligible applicants continuing to verification interviews and, therefore, to improve the quality of services to those deemed eligible and reduce costs. To that end, the process of determining eligibility for welfare is now divided into two discrete stages. The “First Stage Preliminary Assessment” is conducted over the telephone through one of seven “Intake Screening Units” (ISU). A face-to-face verification interview called the “Second Stage Full Determination” completes the process and includes the review of all information and the signing of a Participation Agreement. This represents a dramatic shift in the way people must apply for assistance.

Our research uncovered a number of concerns about the use of call centres to process applications. For example, applicants may need to call on numerous occasions to access the system and can be kept on hold for long periods before being connected to a screener. Even once they access the system, it can be a drawn out and difficult process, with the time needed to complete a telephone application varying from around 20 to more than 90 minutes. Such problems are compounded for those who do not have regular access to a telephone and who are frequently the most in need. Moreover, a call centre system necessitates a move to a more standardised set of questions. Under this “one size fits all” approach more complex, but legitimate cases risk being turned away. Such problems testify to the “social

distance” of the new system and raise concerns about its suitability in this context. The adoption of telephone pre-screening reflects a broader move away from interpersonal, “soft” social services to more automated “hard” services. This may be suitable in the drive for efficiency amongst banking and insurance services, but it raises serious difficulties for many applicants. People with poor English language skills, low educational attainment, and physical and mental health problems often require personal support to navigate bureaucracy. According to the province, alternatives exist for applicants with communication barriers or complex personal situations. Essentially, though, the efficacy of these alternatives boils down to a person’s right to make an application in person and whether the applicant is made aware of it (that such an option exists).

On the contrary, there is strong evidence that the ISU process deliberately confuses and misleads people into believing they will be found ineligible. For example, an ISU screener may, on the basis of preliminary information, inform applicants that they *may* not be eligible and give them an opportunity to discontinue the application. There seems to be no purpose to providing this warning other than to provide an additional avenue to divert people away from assistance. If they continue, applicants are either referred to the local Ontario Works office to complete a full application, or a “conclusion” of ineligibility is made. Not surprisingly, given the use of the word “conclusion,” many applicants misinterpret the suggestion that they *may* be ineligible as a *finding* of ineligibility. In fact, applicants have the right to complete a full application and receive a complete assessment of eligibility. A preliminary finding of ineligibility is transformed into a “decision” that cannot be appealed unless the applicant registers an “objection.” The process to register an objection, however, is complex and appears strongly biased in favour of diversion. Applicants must object in writing, within a short time period, or object orally and then follow-up in writing before the second step. Negotiating this process depends upon a precise understanding of the requirements. The time limits are short and letters informing applicants of a decision frequently take a long time to arrive. Community legal workers have reported clients waiting as long as three weeks to receive the computer-generated letter.

Perhaps most telling of all, there are indications that from the Province’s perspective the problem with the ISUs is not that eligible people are being discouraged from seeking assistance, but that *too many* applicants are getting through the ISUs. According to one report, it was originally projected that 50 per cent of requests and inquiries would not proceed to the second step. However, the actual percentage of applicants proceeding to municipalities averaged 64 per cent between November 2001 and April 2002 (City of Ottawa, 2002). Indeed, a recent provincial review identified two major problems with the intake screening units: too many applicants (40 per cent) were bypassing the ISU and applying directly; and “only” 12 per cent of applicants were being screened out at the telephone pre-

screening stage (Government of Ontario, 2001). Suggested strategies for increasing the screen out rate included instructing “screeners to complete Stage 1 (telephone interview), including making conclusions of ineligibility where appropriate, *for as many applicants as possible*” [emphasis added] (Government of Ontario, 2001, p. 8).

Consolidated Verification Process

Another significant change is the introduction of the Consolidated Verification Process (CVP) for those already receiving assistance. The stated aim of the CVP is to reduce the number of ineligible claims, increase the accuracy of assistance level calculations (both underpayments and overpayments), and allow workers to spend more time meeting client needs. CVP requires the rigorous and ongoing review of every aspect of a recipient’s case history. Previously reviews were time based. With CVP, “risk” factors are used to determine when cases should be reviewed. Case reviews are prioritised on the basis of the “risk” of committing fraud. The pre-determined criteria that trigger risk raise serious concerns about the equity of the system. Risk factors include high accommodation costs (equal to or greater than 75 per cent of participant’s net revenue), receipt of social assistance for 36 months or more, another person residing at the participant’s address and a Social Insurance number beginning with a “9,” indicating permanent resident status (Business Transformation Project, 1998; “CVP Countdown,” n.d.; Ontario Works Policy Directive 6.0, 1998). These triggers appear to exist for the purpose of increasing the scrutiny of, and pressure on, those who have been on the system for a longer period.

In addition, the sheer volume of information requested goes far beyond what is required to determine eligibility. In practice, the array of requirements to satisfy any of these categories can be onerous and unfair to the point where it excludes people genuinely in need. The intense pressure recipients may feel to supply this information is compounded by the associated fear of losing financial support entirely should they fail to hand in all the necessary documentation.

As well as concerns over this information overload there are numerous examples of duplicated and inappropriate requests. Legal clinics report evidence of unnecessary information demands. Existing recipients, for example, have been required to produce credit card and bank statements going back over several years, when the information has never been required before. Banks and credit card companies have refused to provide documentation because it has been archived, or demanded large payments to provide it. In some cases, the letters clients received had all of the information requirements checked off for the client to produce, whether or not they were relevant to the client. In others, additional information was added to the standard list, and more demands added at the CVP interview itself. The highly pressurized context in which all of this takes place is paramount: more information is demanded, more often, with less time to obtain it, all under the

threat and fear of cheques being suspended or cancelled. There is, at the very least, a perceived inequity between the demands placed upon clients and an administrative system that all too frequently falls short of their expectations, with requests for duplicated information, documents going missing, and a frequently slow processing service. Rather than a system intended to monitor eligibility, which is no more or less than one would expect in a social assistance system, we have termed the new system one of ongoing surveillance.

The most recent provincial data reveals that 283,000 cases have been reviewed, and of these, 72 per cent had no change in their benefits; nine per cent had their benefits cut; and only three per cent had an increase in their benefits. The remaining 16 per cent of cases either withdrew from assistance or were terminated completely (Daniels & Ewart, 2002). There is considerable evidence that the application of CVP has resulted in numerous cases being closed improperly and unfairly. In addition, the fact that 72 per cent had no change in financial status suggests that for the vast majority of program participants, the intense scrutiny and embedded rules are set too high and result in unnecessary intrusion.

Conclusion

That caseload reduction was the paramount goal of the provincial government is made abundantly clear in a recent report detailing the impact of the Business Transformation Project (HLB Decision Economics Inc., 2002). To January 2002, the report shows benefits of \$692.3 million offset by costs of \$412.6 million, for a net benefit of \$280 million. Seventy per cent of the “benefits” derived directly or indirectly from caseload reduction and “avoidance.” Another 22 per cent came from reduced benefits. In the mature system it is projected that more than one-half of the annual gross benefits will come from caseload reduction and avoidance and another 20 per cent will come from reduced benefits. This gives some idea of the significance of caseload reduction to the government, and the true priorities of the new SDM. The troubling prospect is that if some parts of the new system do not meet provincial expectations for restricting entry to the system, the way the ISUs appear to be, then the spectre of further efforts to disentitle and deny people are possible.

The new SDM promised a delivery system that would reduce costs through efficiencies and create a more flexible, client-centred service, better able to meet recipients’ needs. However instead of the promised reductions in administrative costs, allowing system resources to be freed-up to help people find work, costs have increased and delivery agents report that the employment support functions are poorly developed. More complex eligibility requirements mean that eligible applicants are failing to access services or are inappropriately removed from them. Rather than operational difficulties to be ironed out, it is clear that these defects

go to the very conception and design of the new model. New technologies and administrative practices are being deployed to achieve the provincial goal of restricting access to income support in a system of ongoing surveillance, completely at variance with the stated objective of assisting people to achieve independence. For all the much-vaunted innovation of the SDM, it amounts to no more than a new twist to an old welfare story: discourage, divert and disempower.

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Notes

1. Information on the two-stage application process was gathered from a variety of sources including "Ontario Works Transition Directive 2000-05 (revised)"; City of Toronto, Community Services Committee, "Implementation of the Ontario Works Service Delivery Model: Status Update," June 1, 2001; Notes from meeting with Intake Screening Unit, Eastern Regional Training for Community Legal Clinics, November 2001; and O'Connor, (2002).

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