



**25 in 5: Network for
Poverty Reduction** 



Recommendations on the Creation of an Ontario Nutritional Supplement Program

**Submission to the Minister of Health and Long-Term Care,
the Minister Responsible for the Poverty Reduction Strategy,
and the Minister of Community and Social Services**

November 12, 2010

Thank you for this opportunity to comment on your deliberations about the creation of a new Ontario Nutritional Supplement Program.

Given the complexity of the issues and constraints facing government on the Special Diet Allowance/Nutritional Supplement Program, our recommendation is that Ontario integrate its deliberations and a decision about this program into the upcoming Social Assistance Review.

We recognize that staff across your ministries have been working diligently over the past few months to try to create a new Nutritional Supplement Program that falls within the constraints the government is currently facing.

These constraints have been outlined to us as:

- Budget constraints arising from the current government deficit, continuing economic uncertainty, and a projection of rising costs;
- Questions around program accountability, as outlined by the Auditor General in a report of December 2009, and a desire to limit administrative costs;
- Restrictions arising from the decision of the Human Rights Tribunal's decision of February 2010 and the April 2011 deadline on its extension of the systemic remedy requirements.

We can appreciate that the combination of these factors continues to hamper the straightforward and timely creation of a new Nutritional Supplement Program. Indeed, even evaluating the additional costs associated with therapeutic diets is complex enough to have taken considerable time and engagement in the past. For example, the creation of the Special Diet schedule in 1999, a process that engaged more than 20 dietitians with expertise in more than 15 areas, is said to have taken more than eight months. Likewise, the Special Diets Expert Review Committee, which provided detailed information and recommendations on the additional costs arising from the dietary needs associated with particular medical conditions, was engaged in 2006 but did not submit its report to government until 2008.

Given that your government is poised to announce the terms, duration of, and process for a review of social assistance programs, and given the intricacy of the issues and the constraints currently facing government, we feel that the most prudent and practical way forward is to include deliberations about and a final decision on a Nutritional Supplement Program within the upcoming Social Assistance Review. This would ensure that decisions on the Nutritional Supplement Program are not made in isolation but rather take into account the variety of associated issues surrounding Ontario's social assistance programs.

Including this issue in the Review is also, in our view, an appropriate decision given the constraints that you have outlined to us, which we discuss below.

1) Budgetary Constraints

a) Cost projections and economic uncertainty

The Ministry of Community and Social Services has publicly stated that the Special Diet Allowance would reach a projected annual cost of \$750 million by 2015, were the program to continue in its current form. We are interested in understanding how that figure was calculated, and whether or not it was based on

an assumption that caseload growth will continue to reflect recessionary impacts, and that take-up rate will continue to grow at a consistent rate rather than reach a saturation point.

In an effort to accurately calculate a cost projection for this program, our organizations have conducted an analysis that takes the growth of three variables into account – caseload, take-up rate, and monthly benefit per case – using a three-year average for each.

In our analysis, we discovered that overall caseload growth over the past two to three years has been driven in large part by a significant increase in OW caseloads. This is likely due to the high number of people who were forced to rely on the program temporarily after being impacted by the economic downturn. But the fragility of Ontario's economic recovery makes projecting caseload growth difficult. As such, we have chosen to calculate the caseload growth rate based on an average of the last three years, which is 3.1%. We note that an alternate analysis, one that is more optimistic about economic recovery, could calculate average growth rate based on the 2000-01 to 07-08 period – excluding the 2008-09 and 2009-10 recessionary impacts. This would result in an average of 1.7% growth.

In addition, we propose that take-up rate growth cannot by its very nature be expected to continue in an exponential fashion. There is only a certain percentage of the caseload population who will, at any time, be eligible for program supports. As such, we have used an annual take-up growth rate of 25.1% - the average of the past three years – which we feel is an accurate reflection of the need for the program in the OW and ODSP population.

Given these assumptions, our analysis projects costs in the range of \$405.7 million by 2015, if the Special Diet Allowance program were to remain unchanged. Using the same analysis, if the program were to remain unchanged over an estimated eighteen month period for the Social Assistance Review, program costs would rise by only \$70 million. As stated above, however, this assumes a continuing recessionary trend in caseload growth. The alternate, more optimistic analysis, one that assumes that caseload growth will return to pre-recession levels by 2017-18, would project a total cost for the program by 2015 as low as \$214 million.

We should also state our view that any determination about the appropriateness of program expenditures should not be taken in isolation of needs, and that the budget for this program should be based not solely on minimization of projected costs, but also on an assessment of the need that exists among the population that the program is intended to serve. While we understand the government's pressure to be prudent in containing expenditures in this economic climate, we feel that decisions about what constitutes a reasonable program cost should be made with an accurate long-term view of what the social assistance system is intended to provide.

The purpose of this analysis is to demonstrate that the calculation of Special Diet Allowance/Nutritional Supplement Program costs, and an assessment of the reasonableness of these costs, is complex. Cost is an important factor in your decision-making; however we feel strongly that these figures can be interpreted in many ways, and that major decisions should not be made as a reaction to grim cost projections. Indeed, based on our own projections, the costs associated with maintaining the Special Diet Program until the Review is complete may be much lower than originally estimated. It is therefore our recommendation that steps be taken to delay decisions about the Special Diet Allowance/Nutritional Supplement Program, and that this issue instead be considered within the upcoming Social Assistance Review.

b) Limiting administrative costs

While there may be much merit in moving administration of the new program to the Ministry of Health and Long-Term Care, we feel that the creation of additional systems within this ministry to facilitate the administration of the Nutritional Supplement Program is premature in the context of the upcoming Social Assistance Review. We would therefore urge that consideration be given to whether or not the costs associated with creating a new program administered by a new ministry are appropriate in light of current fiscal restraints and the opportunity presented by the upcoming Review.

2) Program Accountability

The Auditor General's December 2009 report has identified a problem of program accountability that has, in our view, been wrongly attributed to the people who rely on social assistance support and their health care professionals.

As we have stated in the past, no cogent analysis has been made public to support a contention that the increase in program costs since 2000 is due mainly to inappropriate use of the program, and not to an increased awareness of the program's existence among those people who require its support. As Minister Matthews noted in her review of OW and ODSP in 2004, caseworkers at that time were often unable to provide full information about available programs and services to their clients due to poor training (p.24) and clients themselves often found out about programs and services through other means, including friends and other recipients (p. 30). A concerted effort to promote the Special Diet Allowance program was undertaken thereafter, not only by community-based advocacy groups but also by government itself.

The attempt to improve program accountability through changes to the Special Diet Schedule in 2005 did not result in a significant reduction in program costs. Without a plausible demonstration to the contrary, the increase in program costs since that time could easily be attributed to increased awareness among a population that, by virtue of demographic factors, exhibits an increased need for therapeutic dietary treatment.

In any government or private-sector benefit program, the potential for inappropriate use exists. However, as with any other program, adequate safeguards should be in place to prevent inappropriate use. This was as much the case in 2004 as it is today. We strongly feel that inappropriate use should be dealt with directly and on a case-by-case basis, and that decisions about the entire program, which may serve to limit important supports, should not be made as a reaction to what may be an isolated problem.

The concern that people receiving OW and ODSP use these funds not only for their special dietary needs but also for the basic costs of daily life indicates an understanding of two crucial issues: the lack of income adequacy that people continue to struggle with on a daily basis, and the critical importance of these funds to their continued health, security, and stability. This is even more reason to roll decisions about a Special Diet program into the Social Assistance Review – to make these decisions in the context of the broader social assistance system and the income needs of all Ontarians on ODSP and OW. Appropriate, thoughtful consideration of program accountability must be undertaken in conjunction with a review of the broader issues, including demographic factors and the architecture and adequacy of other benefits and supports.

The upcoming Social Assistance Review is the appropriate process through which such consideration should take place.

3) Human Rights Tribunal decision

The changes that were made to the Special Diet Allowance Program in 2005 created a situation in which some individuals saw either reductions in or cancellation of their allowances. Many of these individuals filed human rights complaints, believing that they were being discriminated against on the basis of their disability. The Human Rights Tribunal's February 2010 decision supported that belief.

Moving forward, the challenge for government is therefore to ensure that people requiring additional funds associated with the higher costs of their therapeutic dietary requirements receive that support in a manner which is in line with the Ontario Human Rights Code. We are aware of the challenges policy makers are facing in developing a new program which is sustainable from a cost perspective while at the same time meets the human rights test set out by the Tribunal.

Given the complexity in developing a program that meets this test, we encourage the government not to hastily make a final decision. While we understand that delaying the introduction of a new program or introducing temporary measures would incur its own costs, we believe that these costs are necessary to ensure that decisions about this program are made in context of an evolving social assistance system. We also suggest that short-term costs in instituting temporary measures or delaying the introduction of a new program may be outweighed by the costs government would incur if forced to make a rushed decision, which could put it at risk of future human rights challenges.

Making a commitment to human rights often means incurring costs. And meeting the test of human rights is, as we have mentioned above, extremely complicated and can take considerable time and effort to get right. This decision should not be made quickly or be taken lightly. As such, we feel that the most prudent way forward is to roll this decision into the Social Assistance Review. This would give government time to collect the information it needs, as well as allowing it to examine how this program supports human rights in the context of the broader social assistance program.

Conclusion

We trust that the upcoming Social Assistance Review, as promised in the 2008 Poverty Reduction Strategy, will provide the comprehensive examination that is required to provide income security for all Ontarians in the context of rapidly changing social and economic conditions. And we expect that the Review will not only include an examination of the larger issues around the levels of and mechanisms for the provision of benefits, but will provide for the kind of broad consultation with the variety of groups and individuals— including recipients as well as health care professionals, policy experts, and others — that could contribute their expertise to the more fine-grained issues such as the Special Diet Allowance/Nutritional Supplement Program.

Determining a way forward on this issue — which is so critical to the health and well-being of more than 160,000 Ontarians — merits a longer-term, more holistic and contextual view.

Given the constraints noted above, and the difficulty in making sound decisions in the face of these constraints and in isolation of broader issues, we strongly recommend that the provincial government take the steps necessary to ensure that the defining decisions about the Special Diet Allowance/Nutritional Supplement Program are contemplated in the context of a comprehensive Social Assistance Review.