



**City of Kingston  
Report to Council  
Report Number 19-259**

---

<b>To:</b>	<b>Mayor and Members of Council</b>
<b>From:</b>	<b>Lanie Hurdle, Interim Chief Administrative Officer</b>
<b>Resource Staff:</b>	<b>Ruth Noordegraaf, Acting Director, Housing &amp; Social Services</b>
<b>Date of Meeting:</b>	<b>October 15, 2019</b>
<b>Subject:</b>	<b>Extended Health Benefits Program Review</b>

---

**Executive Summary:**

On May 1, 2018, Council decided to launch the Extended Health Benefits Program (EHBP) pilot. [Report Number 18-136](#) provided that staff report back on the pilot program by the fall of 2019.

The purpose of this report is to report back on the EHBP pilot for working low income residents of Kingston, and to seek approval for the continuation of the program and the spending of the existing Social Services Ontario Works Allowances and Benefits Stabilization Reserve (the "Reserve") funds for this program beyond the duration of the pilot project. The EHBP provides dental, health and vision benefits, similar to the Ontario Works program, and is currently administered by the City of Kingston for residents who meet the income eligibility guideline of the Municipal Fee Assistance Program (MFAP). As of July 31, 2019 there have been \$52,709 in paid claims through EHBP inception; 59% dental, 38% vision, 3% pharmacy claims and 591 beneficiaries of the program (including primary applicants and their dependants).

This EHBP is funded through the existing Reserve. The Reserve was created as a financial security measure for program supplementation in the event of Ontario Works funding shortfalls. However, the Provincial funding model has changed and Ontario Works benefit costs are presently a 100% upload to the Province, meaning the Reserve's original purpose is no longer prevalent.

**Recommendation:**

**That** Council endorse the continuation of the Extended Health Benefits Program as originally described in [Report Number 18-136](#); and

October 15, 2019

Page 2 of 7

**That** Council approve staff to budget in the 2020 and ongoing municipal operating budget from the Social Services Ontario Works Allowances and Benefits Stabilization Reserve, up to the amount of \$110,000 annually, to maintain the Extended Health Benefits Program; and

**That** the Extended Health Benefits Program be named My Kingston – Health Benefits to align with all other programs under the Municipal Fee Assistance Program, and to reduce confusion with the provincial Extended Health Benefits available to Ontario Works clients.



October 15, 2019

Page 4 of 7

**Options/Discussion:****Existing Pilot Program**

The MFAP is administered by the Housing & Social Services Department. MFAP saw 2,467 applicant households in 2018, representing 4,024 people. Persons are determined to meet the income eligibility criteria by Housing & Social Services staff. Eligible residents are able to apply through partnering City departments for spay or neuter pet vouchers, reduced recreation program rates, reduced Grand Theatre rates and a reduced transit pass rate.

In 2017, staff identified the need in the community to expand the scope of programs and services available under MFAP to health benefits for working low income residents, similar to those available to residents receiving Ontario Works (“OW”) and Ontario Disability Support Program (“ODSP”) benefits.

On May 1, 2018 Council directed staff ([Report Number 18-136](#)) to implement a pilot program providing working low income residents of Kingston, that are not currently in receipt of OW or ODSP, vision, health and dental benefits (EHBP). The EHBP is funded through the Social Services Ontario Works Allowances and Benefits Stabilization Reserve, and delivered as an addition to the MFAP administered by the Housing & Social Services Department. The funding level for the initial EHBP (July 1, 2018 through December 31, 2019) was set to be \$100,000 in benefit dollars per year, plus administration costs.

The EHBP in the City of Kingston has maximum benefit limits per person and per household that are consistent with those of OW to ensure consistency across programs. Discretionary health benefits for OW clients are currently \$250 for single applicants, \$450 for couple and families with children, while discretionary dental benefits are \$350. The EHBP permits similar benefit amounts per a 12 month eligibility period and recipients are able to use these funds for vision, health and dental needs at their discretion. Staff expects these benefit limits (\$600 for singles, \$800 for couples/families) will continue in order to maintain consistency for those on and off of social assistance, but that the eligibility period align with the ongoing MFAP program.

**Background Research on Similar Programs**

In assessing proposed benefits to be covered under the EHBP, staff reviewed the municipalities of Ottawa, Toronto, Hamilton, London and St. Thomas which have programs similar in nature. Major items that are typically included in municipal programs reviewed are routine maintenance and emergency dental, prescription frames and lenses, and prescription medication coverage beyond that available under the Trillium Benefit Program. Eligibility determination ranges from the most recent Notice of Assessment (“NOA”) for the head of the family unit, completing a budget with the client to review discretionary monies available, and others use the Low Income Cut-Off (“LICO”) structure as outlined in Exhibit A for benefit level determination. Until such a time that Council adjust all income thresholds for municipal programs, staff expects that the LICO will remain the income level determination for all programs offered under MFAP.

Most municipalities surveyed provide this benefit program through a third party insurance company (i.e. Accerta, Great West Life and Claim Secure). EHBP was launched with Accerta administering all benefit claims, which has been proven beneficial as they specialize in

October 15, 2019

Page 5 of 7

delivering healthcare benefits. Accerta maintains specified fee schedules, provides real-time electronic claim adjudication, and provides analytics and detailed reports on all claims. Accerta has dental and medical professionals on staff to ensure that clients are receiving necessary treatments, and that duplicate and unnecessary treatments are not being estimated for the same client. This process ensures that program evaluation is easily measurable and that funds in the EHBP are being used in the most efficient way so that the program serves as many citizens as possible.

### **Findings from the Pilot Program**

As of July 31, 2019, there have been \$52,709 in paid claims through EHBP inception; 59% dental, 38% vision, 3% pharmacy claims and 591 beneficiaries of the program (208 primary applicants and 383 dependants). Based on the 2016 taxfiler data and the 2016 Census we understand that of the 9,625 people over the age of 15 that live in a household under the LICO-AT, 7,460 of them are in receipt of social assistance. The balance (2,165) would be considered marginally or precariously employed and are the target population for this pilot program. To date, the pilot has served 27% of this population.

Residents who enrolled and used EHBP benefits were contacted for a telephone survey in January/February 2019 to generate feedback on their experience with the program to date. Many commented that it was life changing, health benefits were previously out of reach and they can now see with their new glasses, smile with their teeth taken care of, and taking medications they previously could not afford. Many citizens commented on the benefit of the EHBP if it continues for years to come as they will be able to address all their health issues, not just the most urgent. Many also indicated that with this benefit, they are healthier and able to get to work more often, attend job interviews with confidence, and are encouraged to stay off of the OW program and continue to work additional jobs in order to make ends meet.

Based on the EHBP pilot, staff expects to continue with the use of a third party insurance provider for claim administration. This process has proven to be beneficial as they specialize in the administration of health care benefits.

The impacts to date have proven to be beneficial to working low income residents of the City of Kingston. Staff anticipates that the continuation of the EHBP long term will allow time to build more evidence of impacts in the community, and understand the budgetary and program parameters for program sustainability.

### **Proposed Changes and Long Term Program**

The program has benefited almost 600 residents in the City of Kingston in the first year of the pilot project, which represents 27% of citizens in the eligible income bracket in the community. Staff will continue to work to increase enrollment and engage those eligible and not yet accessing the program. In the anticipation of income levels under MFAP increasing to a threshold such as the Low Income Measure After Tax (LIM-AT), an additional 4,830 citizens could have access to program benefits. Once the threshold increases, staff will monitor the utilization during the two year period before staff would return with a report on all components of the My Kingston EHBP program. Given that the program is currently under-prescribed, it is not anticipated that demand will exceed the current available budget envelope. Exhibit B provides

October 15, 2019

Page 6 of 7

an outline of current EHBP guidelines. Staff will continue to monitor new and developing provincial programs to assess whether the EHBP should be further amended in the future, at such time a report will return to Council for consideration.

**Existing Policy/By-Law:**

By-Law Number 2002-11 established the Social Services Ontario Works Allowances and Benefits Stabilization Reserve. The by-law established that its purpose was to offset cost increases to social services costs and was to be funded through Ontario Works operating surpluses.

By-Law Number 2018-088 was established to provide that the money raised for the Social Services Ontario Works Allowances and Benefits Stabilization Reserve may be spent, pledged, or applied for the purpose of creating and maintaining an Extended Health Benefits Program.

**Notice Provisions:**

A communications plan will continue to announce that this program will be ongoing in the community and to ensure that the public is continually made aware of the program and available benefits.

**Accessibility Considerations:**

Not applicable

**Financial Considerations:**

The Social Services Ontario Works Allowances and Benefits Stabilization Reserve was created as a security measure for Ontario Works program supplementation in the event of Provincial benefit funding shortfalls. However, the Provincial funding model has changed and Ontario Works benefit costs are presently a 100% upload to the Province, meaning the Reserve's original purpose is no longer prevalent. The Reserve has a balance of \$2,516,194 as of August 31, 2019. The initial annual funding level for the EHBP was set to be \$100,000 benefit dollars, plus administration costs. If the income threshold is raised, staff will monitor the EHBP utilization during the two year period at which time staff will return to Council with an update on all components of the My Kingston – Health Benefits program.

**Contacts:**

Lanie Hurdle, Interim Chief Administrative Officer 613-546-4291 extension 1231

Ruth Noordegraaf, Acting Director, Housing & Social Services 613-546-4291 extension 4916

**Other City of Kingston Staff Consulted:**

Laura Rabbie, Manager, Social Services, Housing & Social Services

October 15, 2019

Page 7 of 7

Cheryl Hitchen, Social Policy & Strategic Community Development Manager

Lana Foulds, Director, Financial Services

Andrew Reeson, Associate Legal Counsel, Legal Services

**Exhibits Attached:**

Exhibit A Eligibility Thresholds as per LICO

Exhibit B Eligible Expenses Recommended under the City of Kingston's EHBP

Poverty Threshold Options

<b>2017 Income Thresholds</b>			
<b>Size of Household</b>	<b>LICO-AT</b>	<b>LIM-AT</b>	<b>LIM-AT+15%</b>
1 person	\$17,758	\$23,513	\$27,040
2 persons	\$21,612	\$33,252	\$38,240
3 persons	\$26,912	\$40,726	\$46,835
4 persons	\$33,575	\$47,026	\$54,080
5 persons	\$38,232	\$52,577	\$60,464
6 persons	\$42,400	\$57,595	\$66,234
7+ persons	\$46,568	\$62,210	\$71,542
Source: Statistics Canada. Tables 11-10-0232-01 and 11-10-0241-01			



**Example of Eligible Expenses Recommended Under the City of Kingston's EHBP**

Benefit Description	Eligible Recipients	Details
<p><b>Adult Dental Care:</b> Includes: routine cleaning, emergency, restorative &amp; preventative dental &amp; denture care services.</p>	<p>Non-OW/ODSP participants who are not covered under other provincial dental programs.</p>	<p>Excludes all dental treatments rendered prior to current funding year eligibility determination. Children and youth 17 years and under are covered under the Healthy Smiles Ontario program. Ontarians 65 years and older are covered under the Ontario Seniors Dental Care Program.</p>
<p><b>Vision Care:</b> Includes: eye exams for ages 20 - 64, prescription eye glass lenses and frames for all ages or, contact lenses (where appropriate and more economical).</p>	<p>Eye exams for non-OW/ODSP participants age 20-64. Frames/lenses and contact lens coverage available for all ages.</p>	<p>OHIP covers eye examinations for people who are under 20 years of age, or 65 years of age or older.</p>
<p><b>Prescription Medications:</b> Includes: prescriptions outlined in the Ontario Drug Benefit (ODB) Plan.</p>	<p>Non-OW/ODSP participants ages 25-64.</p>	<p>Prescribed by an approved healthcare professional, and listed in the <a href="#">Ontario Drug Benefit Formulary</a>.  As of January 1, 2018, medications free for all children and youth 24 years of age and younger through OHIP+.  Clients to access the Trillium Drug Program; for people who spend 3 - 4% + of their after-tax household income on prescription-drug costs.</p>