



CITY OF HAMILTON
COMMUNITY & EMERGENCY SERVICES DEPARTMENT
General Manager's Office

TO:	Chair and Members Emergency & Community Services Department
COMMITTEE DATE:	June 22, 2015
SUBJECT/REPORT NO:	SAMS Update (CES15020) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Jodi Guilmette 905-546-2424 ext. 3590
SUBMITTED BY:	Joe-Anne Priel General Manager Community & Emergency Services Department
SIGNATURE:	

RECOMMENDATION

- (a) That the Mayor forward a copy of this report to the Premier of Ontario, the Minister of Community and Social Services, the Executive Director of the Ontario Municipal Social Services Association (OMSSA) and the Executive Director of the Association of Municipalities Ontario (AMO) to apprise said parties of the impacts of the Social Assistance Management System (SAMS) implementation in the City of Hamilton; and,
- (b) That Council approve the transfer of existing budgeted staff between the Employment & Income Support and the Benefit Eligibility Divisions to accommodate the implementation of a transition plan that increases focus on case management.

EXECUTIVE SUMMARY

The province has spent \$240 million and four years rolling out and implementing new case management software for the delivery of Ontario Works (OW) and the Ontario Disability Support Program (ODSP). The new computer software program, Social Assistance Management System (SAMS), was launched November 11, 2014. As Council is aware, the launch of this software created a crisis situation for Ontario Works and ODSP offices across the province. Implementation of SAMS continues to be fraught with challenges as staff continue to define their new post-SAMS business reality.

On January 19, 2015, a verbal update was provided to Council regarding the implementation of SAMS. In addition to seeking approval for the transfer of staff

between the Ontario Works Divisions, this report will also provide Council with a status update of the current state of operations in the City of Hamilton's Ontario Works program and includes an overview of:

- the financial implications of implementing SAMS;
- the Ontario Works caseload;
- the mitigation strategies that have been implemented to address the crisis and challenges created by SAMS;
- staff morale; and,
- the next steps in the road to recovery.

Alternatives for Consideration – Not Applicable

FINANCIAL – STAFFING – LEGAL IMPLICATIONS

Financial:

The Ministry of Community and Social Services has provided the following 100% provincial funding to assist with the costs of implementing SAMS:

2013:	\$116,700
2014:	249,700
2015:	<u>183,200</u>
TOTAL	549,600

While this additional funding is appreciated, it is less than the actual costs that have been incurred by the City to date. As at May 15, 2015, staffing costs (i.e. overtime as well as the cost of staff time from other departments who were required to take on additional tasks as a result of SAMS) in the amount of \$750,972 (gross) have been incurred – \$201,372 (gross) in excess of the additional provincial funds.

In addition to the existing staff costs incurred to date, a Business Transformation Team, comprised of 4.25 full-time equivalent (FTE) staff, has been established to support and lead the continuing SAMS implementation. This team is expected to be in place for at least one year at a cost of \$465,663 (gross).

Therefore, the shortfall to date plus the expected costs of the Business Transformation Team through to June 2016 is \$667,035 (gross).

Every attempt will be made to mitigate these costs from potential savings realized as a result of the underutilization of employment benefits due to the re-focusing of employment assistance activities to case management. In the event there are insufficient savings to mitigate these costs, the Ministry will be asked to reimburse the City of costs incurred as a result of the implementation.

It should also be noted that the costs of the SAMS implementation could be much higher once the cost of the deferred work and associated lost revenues are taken into

consideration. It could be 12 – 18 months before the true cost of SAMS implementation can be accurately quantified. The Ministry will also be asked to reimburse the City for these costs.

Staffing:

As noted previously, as a result of the challenges associated with the implementation of SAMS, a Business Transformation Team comprised of 4.25 FTEs, led by the Director of Benefit Eligibility, has been established. The cost of this team has been determined as follows:

Salaries and Benefits:	\$408,826
Other Costs (e.g. furniture, computers, telephones, etc.):	<u>56,837</u>
Total:	\$465,663

These new positions have been created in accordance with the Budgeted Complement Control Policy (Report FCS12011(a)). The Ministry will also be asked to reimburse the City of Hamilton for these costs.

Legal:

There are no legal implications associated with Report CES15020.

HISTORICAL BACKGROUND

Ontario Works Caseload

As of April 30, 2015, the City of Hamilton’s Ontario Works caseload was approximately 12,800. The caseload size is an approximation only at this time as validated reports identifying the caseload size have not yet been received. Assuming a caseload of 12,800, this represents a 6% increase over the October 2014 caseload of 12,085 despite the fact that a 2.1% decrease in the caseload was anticipated for 2015.

Mitigation Strategies

In an effort to address the challenges created by SAMS, the following mitigation strategies have been implemented to date:

Incident Management Structure:

An Incident Management Structure (IMS) comprised of four Ontario Works Directors and the Community and Emergency Services General Manager was created to provide strategic direction and decision making that minimized client impact. The team also consulted with union leaders and Human Resources staff to ensure employees continued to receive appropriate supports throughout the transition to the new computer system.

Given that the chaos is now being managed, the IMS team has been dismantled and replaced by the Business Transformation Team (BTT). This team will be responsible for

the implementation of the longer term Ontario Works recovery plan and will likely be in place for at least a full year.

Recovery Plan:

In order to ensure clients receive the financial assistance to which they are entitled in a timely manner, the focus since SAMS go-live has been on completing applications, determining initial and on-going eligibility for assistance and validating client payments. Due to the overwhelming number of challenges experienced with the initial transition to SAMS, this was accomplished by:

- completing applications for assistance manually and then entering the client information into SAMS after the Case Manager finished the appointment with the client;
- re-deploying 64 staff from other functional areas within the Ontario Works program to assist with these key tasks; and,
- deferring numerous case management activities and supports to clients (e.g. assistance with the development of employment plans, assistance with the pursuit of child support, overpayment recoveries, eligibility reviews, etc.).

Recognizing that the focus within the Ontario Works office needed to expand beyond the basic case management functions, a recovery plan was created that allowed for a gradual return of staff from other work areas to their home positions.

Throughout this transition, SAMS functionality was evaluated regularly to determine staff's capacity to complete their work using this new technology. Focus groups were also held with staff to better understand how SAMS was impacting their ability to do their work.

Based on staff feedback, it was recognized that in order to successfully transition to SAMS, the focus of the recovery efforts needed to centre on case management (i.e. the core component of the Ontario Works program) and client service. Therefore, in addition to transitioning the remaining Case Managers back to their caseloads and completing applications in SAMS with the client sitting across the desk from them, the following additional resources have been dedicated to the case management function on a temporary basis for up to 12 months to complete applications and manage caseloads:

- All 13 Case Management Support Team (CMST) Case Managers
- All 13 Enhanced Verification Process (EVP) Case Managers
- 18 of the 44 Employment Development Counsellors

With these additional resources, the caseload size for each Case Manager will be reduced to approximately 95. This allows for an overall increase in the number of applications that can be completed resulting in improved client service and a reduction in the number of applications for each individual Case Manager leaving more time for staff to manage their caseloads in the current SAMS environment.

With the EVP Case Managers and approximately 40% of the Employment Development Counsellors dedicated to case management for up to 12 months, this means that EVP interviews will continue to be deferred and employment services provided by staff will be reduced. Strategies to minimize the impacts of these program reductions will be considered in the short term and longer term recovery plan. Strategies have also been identified to minimize the impacts of the CMST Case Managers managing caseloads.

The implementation of this transition plan requires the creation of new case management teams which necessitates the transfer of staff between the Benefits Eligibility and Employment & Income Support Divisions. The combined staff complement of these Divisions will not increase as a result of these staff transfers. Approval is therefore requested to allow for the transfer of staff between the Divisions.

It should also be noted that Case Managers are currently only providing a minimum level of case management to ensure that clients receive the correct amount of assistance. Workload challenges associated with SAMS continue to make it difficult for Case Managers to complete all required case management functions, particularly mid-month when statements of income are required to be processed to produce monthly cheques.

Recognizing that delivery agents' post-implementation activities are continuing, the Ministry has implemented the following case management workload reduction measures:

- Enhanced Verification Process (EVP) activities have been suspended until August 31, 2015.
- The requirement of an employment plan to be input into SAMS for on-going clients has been waived until September 1, 2015; however, new clients were required to have a valid employment plan effective April 1, 2015.
- The setting of employment outcomes targets for the 2015 calendar year will be reflective of the current operating environment in which delivery agents continue to implement and stabilize SAMS.

While staff have advised that some improvements have been made to SAMS, many more fixes are required to meet staff's needs. Staff have also advised that it remains difficult to navigate the complex system and it takes much longer to process information in SAMS than in the previous computer system. Consequently, there are still many activities that are not being completed. The following are a few activities that have yet to be reinstated:

- Updating clients' employment plans
- Pro-active updating of client information

- Reviewing system generated tasks (note: approximately 200 tasks are generated per day per Case Manager compared to 20 tasks that were generated per day per Case Manager in the previous computer system)
- Enhanced Verification Process (EVP) interviews (i.e. meetings with clients to review their on-going eligibility for assistance when there is a high likelihood that a change in the clients' financial eligibility has occurred)
- Referrals to internal and external client support programs
- Community development work
- Monthly processing of provincial subsidy claims due to lack of accurate reports from the province

The challenges faced by City of Hamilton Ontario Works staff are not unique and are facing all social assistance delivery agents across the province. Staff from the City of Windsor presented a report to its Employment & Social Services Committee of Council regarding SAMS on April 8, 2015 (Appendix A to Report CES15020). This detailed report provides a thorough overview of the challenges experienced with the SAMS implementation and highlights the magnitude of the technical problems facing staff. The challenges identified in the Windsor report are similar to the challenges faced in Hamilton. The following is a brief synopsis of the challenges facing both Windsor and Hamilton as well as many other Ontario Works and ODSP offices across the province:

- frustration and low morale in staff
- excessive delays in processing time (this has since improved)
- reduced case management practises as the focus became on ensuring payment issuance
- work backlogs (e.g. participation agreement completion and in the specialty units such as Family Support, Eligibility Review and Overpayment Recovery)
- inaccurate system generated letters and reports
- lack of adequate reports which severely affects staff's ability to file an accurate subsidy claims to the Province
- many unreconciled overpayments and underpayments resulted in inaccurate T5 reporting for clients
- system does not appear intuitive and although data rich, the converted data continues to be the root cause of the majority of system issues
- City staff identified defects in pre-production and provincial project staff assured City staff that defects would be fixed prior to release (this assurance was not met)
- limited training material as staff were trained in a database environment that was not fully functional nor representative of the final production model

Change Management Plan:

With the support of Human Resources staff, a change management plan has been created to better support staff through this time of transition. Management and front-line staff feedback to an Organizational Development Specialist regarding their experiences with the transition to SAMS have informed the development of this plan.

Participation on Provincial/Regional Committees:

City of Hamilton Ontario Works staff continue to participate on a number of committees that are focused on improving SAMS. Membership on these committees is comprised of provincial and municipal staff (including management and front-line staff) as well as Ontario Municipal Social Services Association (OMSSA) staff.

Staff Morale

Staff have done a tremendous job over the last several months despite the crisis situation in which they found themselves with the implementation of SAMS. They worked countless hours to ensure the impact to clients was minimized to the extent this was possible.

The impact of the implementation of SAMS on staff continues to be of utmost concern. Ontario Works employees have experienced the impact of this implementation in a variety of ways. While staff are becoming more comfortable with navigating SAMS, they continue to express frustration and anger with the system itself. Employees have reported that they feel incompetent and worry about appearing unprofessional in front of their clients. Many have reported negative impacts to their health and have expressed difficulty in coming to work each day.

Next Steps

While a significant amount of time, effort and resources have been dedicated to lessening the impacts on staff and clients, there is still much work to be completed as the Ontario Works program continues through its challenging transition to SAMS.

Locally, the Business Transformation Team will continue to work through its recovery plan, change management plan and communication plan to ensure that staff and client needs are met.

In addition to the work that is underway by City of Hamilton Ontario Works staff, the Minister of Community and Social Services hired an independent, third-party advisor, Price Waterhouse Coopers (PwC), who has consulted with front-line ministry staff and municipal partners to evaluate SAMS implementation to date. PwC also provided recommendations to the Minister for short and long term improvements so that the needs of staff and clients are better met.

The Ministry has reviewed PwC's final report¹ and has developed a transition plan that will include ongoing engagement with front-line staff and delivery partners as it begins to design improvements both to SAMS itself and the processes and supports that are required to use SAMS effectively.

¹ Link to the PwC: http://www.mcsc.gov.on.ca/documents/en/mcsc/social/SAMS_Transition_Review_Final.pdf.

POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS

None

RELEVANT CONSULTATION

Because they deliver components of the Ontario Works program, both the Children's and Home Management Services Division and the Housing Services Division have been involved with the development of a recovery plan for the Ontario Works program. They are in agreement with the next steps and the recommendation identified in this report.

The Finance, Administration and Revenue Generation Division have also reviewed and validated the implementation costs identified in this report.

ANALYSIS AND RATIONAL FOR RECOMMENDATION

Ontario Works is a provincially mandated program. Since the City of Hamilton has been designated by the province as the Consolidated Municipal Service Manager (CMSM), it is required to deliver the program in accordance with the Ontario Works Act and Regulations. It is also required to utilize provincially mandated software to issue payments to clients. The transition to SAMS, the newly introduced Ontario Works software program, has created chaos and frustration for staff and clients alike.

It is imperative that the Premier of Ontario and the Minister of Community and Social Services as well as our supporting Associations understand the position in which the implementation of this new software has put the City of Hamilton, particularly since it will be requesting reimbursement for 100% of the costs associated with implementing SAMS.

ALTERNATIVES FOR CONSIDERATION

None

ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN

Strategic Priority #1

A Prosperous & Healthy Community

WE enhance our image, economy and well-being by demonstrating that Hamilton is a great place to live, work, play and learn.

Strategic Objective

1.6 Enhance overall sustainability (financial, economic, social and environmental).

Strategic Priority #2

Valued & Sustainable Services

WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.

Strategic Objective

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.
- 2.3 Enhance customer service satisfaction.

Strategic Priority #3

Leadership & Governance

WE work together to ensure we are a government that is respectful towards each other and that the community has confidence and trust in.

Strategic Objective

- 3.1 Engage in a range of inter-governmental relations (IGR) work that will advance partnerships and projects that benefit the City of Hamilton.

APPENDICES AND SCHEDULES ATTACHED

Appendix A to Report CES15020: City of Windsor Social Development, Health and Culture Standing Committee – Employment & Social Services Report, LiveLink Report #: 17636 SS2015, Date to Standing Committee: April 8, 2015