



**CITY OF HAMILTON**  
**COMMUNITY & EMERGENCY SERVICES DEPARTMENT**  
**Benefit Eligibility Division**

<b>TO:</b>	Chair and Members Emergency & Community Services Department
<b>COMMITTEE DATE:</b>	February 8, 2016
<b>SUBJECT/REPORT NO:</b>	SAMS Update (CES15020(b)) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
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<b>SIGNATURE:</b>	

## RECOMMENDATION

That the Mayor correspond with the Premier of Ontario and the Minister of Community and Social Services requesting financial reimbursement for all additional costs incurred by the City of Hamilton over and above the \$549,600 (100% funding) previously received as a result of the implementation of the Social Assistance Management System (SAMS).

## EXECUTIVE SUMMARY

This report will provide Council with an update on the current status of the operational and financial impacts to service delivery as a result of SAMS. As well it provides details from the Auditor General's report which reaffirms many of the City's concerns voiced to the Province.

Staff continue to monitor the financial impacts of SAMS. The financial cost to date associated with SAMS is \$1,369,656 less \$549,600 (100% provincial funding) for a total shortfall of \$820,056. Until stabilization of the system has occurred, the costs of the SAMS implementation could be much higher once the cost of deferred work and associated lost revenues are taken into consideration.

On December 2, 2015, the 2015 Annual Report from the Auditor General of Ontario was released. The overall finding was that SAMS was launched prematurely and continues to experience problems that need to be fixed. The 2015 Annual Report validates and confirms the concerns the City already has and continues to have, with the performance of SAMS and the magnitude of the effects on staff.

The following were the key observations from the 2015 Annual Report from the Auditor General of Ontario (attached as Appendix A to Report CES15020(b)):

- The Ministry has yet to identify many defects, and was not fully testing its software upgrades that fix defects. As of July 31, 2015 there were 771 defects still outstanding. This number is not complete however, because many defects have yet to be identified.
- Until most of the serious defects are identified and fixed, and software upgrades are properly tested, SAMS will continue to generate errors.
- SAMS adversely affected client service. In order to deal with ongoing functionality issues, caseworkers still have to use time-consuming “workarounds” to circumvent SAMS processes.
- The Ministry’s Executive Committee was not aware of the full extent of SAMS’ pre-launch issues. SAMS was launched prematurely with defects.
- Until the Ministry addresses the flaws in the system design, SAMS will continue to force caseworkers to spend more time dealing with its shortcomings than helping their clients, even after all the defects have been fixed.
- The total cost of implementing SAMS is estimated by the Ministry to be \$290 million up to March 2016, however the final cost will remain unknown until this system has fully stabilized.
- Ministry training for staff was inadequate. During training sessions, staff said they did not feel confident they would be able to use the system.
- After launch, about 80% of Ontario Works (OW) and Ontario Disability Support Program (ODSP) offices reported that caseworkers had to deal with many problems sparked by SAMS, and that there were significant issues with staff morale.

In addition to the findings noted above, one year post-implementation of SAMS, there continues to be significant impacts to staff, clients, community partners and internal processes in Hamilton such as:

- Daily operations are still in a state of recovery.
- Caseload size is approximately 12,828 as of October 31, 2015 which represents a 6.15% increase from October 2014 prior to SAMS implementation.
- There is a lack of reporting with SAMS that impacts year-end financial reconciliation and proves challenging for staff to manage their caseload.
- Redeployment of staff resources from employment services to the case management function resulting in delays to clients accessing employment services and benefits.
- A decline in referrals to community agencies who are partners in providing services and support to Ontario Works clients.

An interim recovery plan, to re-establish Ontario Works client service levels and to support staff through the new technology, was established. While we are no longer in crisis mode, there are still challenges and frustrations with SAMS. As a result of the

SAMS implementation, the Business Transformation Team (BTT) was created in May 2015 to lead local business recovery plans and develop a communication and change management plan was developed to continue ongoing support for staff.

In addition to the immediate short-term issues, there is concern with the long-term implications associated with SAMS. City staff, along with Municipal colleagues, Ontario Municipal Social Services Association (OMSSA), Association of Municipalities Ontario (AMO), and various other municipal associations have been lobbying for recognition of the full depth of the problem from the Province. On October 21, 2015, the Ministry of Community and Social Services released an update on SAMS. The Ministry's Integrated Transition Plan addressed concerns with the launch of the provincially mandated system and included 19 recommendations and 17 identified projects from the third party advisor PricewaterhouseCoopers. The City has reviewed the Provincial Integrated Transition Plan for local impacts.

The City will continue to engage with the Province through various provincial and municipal workgroups to ensure improvements continue to better serve our clients and our support staff.

Through it all, the Ontario Works Program staff have been a model of commitment, determination and perseverance. Staff have consistently focused on ensuring that clients experience the least amount of disruption possible, do not suffer financially and their critical needs are met. The caseload of nearly 13,000 households receiving Ontario Works within the City are of the most vulnerable within our community. These families have remained the priority throughout this implementation.

***Alternatives for Consideration – Not Applicable***

**FINANCIAL - STAFFING - LEGAL IMPLICATIONS**

**Financial:**

Between 2013 and March 2015, the City received 100% funding from the Province in the amount of \$549,600 to cover the implementation costs which included training expenses, engagement activities and staffing costs during the time pre and post transition to the SAMS technology.

The Ministry has not provided any additional funding for SAMS related costs incurred beyond March 31, 2015.

To address the shortcomings of SAMS, the City developed a recovery plan. A Business Transformation Team was established in May 2015 to lead this recovery plan through to June 30, 2016 with a cost of \$425,938.

The execution of the recovery plan required facility, furniture and technology expenses due to the creation of new case management teams to support client service provision. Additionally, Ontario Works staff computer monitors were upgraded to 22 inches as a

result of the ergonomic challenges that the SAMS system presents resulting in an additional unanticipated cost of \$60,000.

Table 1 reflects a summary of the financial impact to the City of Hamilton to June 2016 as a result of SAMS implementation.

**Table 1: Summary of Costs as a Result of SAMS Implementation to June 2016**

<b>Staffing Expenditures</b>	<b>Total Costs</b>
Overtime Costs	\$83,820
Staffing Re-Allocation	\$418,492
Incident Management Structure (IMS) costs	\$190,712
Business Transformation Team (BTT)	\$425,938
<b>Recovery Plan Implementation Costs</b>	
Training material and printing	\$63,089
Redeployment - Facilities (furniture, moving fees, etc.)	\$88,333
Equipment/Hardware/Software	\$99,272
<b>Total Costs</b>	<b>\$1,369,656</b>
<b>Mitigation Funding Received</b>	<b>-\$549,600</b>
<b>Total Shortfall</b>	<b>\$820,056</b>

The Ministry has planned technical fixes to SAMS up to February 2017. Until stabilization within the Ontario Works Program and SAMS has occurred, the City is unable to precisely forecast any potential additional staffing and recovery costs.

**Staffing:**

In response to the challenges presented by SAMS and recognizing that the focus within the Ontario Works office needed to expand beyond basic case management functions, a recovery plan was developed which involved the redeployment of 44 staff to the case management role.

The 44 staff was comprised of the following:

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

**Legal:**

There are no legal implications associated with Report CES15020(b).

## **HISTORICAL BACKGROUND**

On November 11, 2014, the provincially mandated Social Assistance Management System was launched to manage case files including payments for individuals and families in receipt of Ontario Works, Assistance for Children with Severe Disabilities and Ontario Disability Support Program benefits. SAMS replaced the former case management software, Service Delivery Model Technology (SDMT). Functionality issues with SAMS were evident at implementation, and this new software introduced a layer of time and complexity to tasks that were simple within the previous system. The introduction of SAMS required a fundamental shift in how City of Hamilton OW staff members performed their duties.

In response to the SAMS implementation, an Incident Management Structure (IMS) comprised of four Ontario Works Directors and the Community and Emergency Services General Manager was created in November 2014. The team consulted with union leaders and Human Resources staff to ensure employees continued to receive appropriate supports throughout the transition to the new system.

On January 19, 2015, a verbal update was provided to Council regarding the implementation of SAMS. Given the continued difficulties with SAMS, the IMS team was dismantled and replaced with the Business Transformation Team in May 2015. The BTT has implemented and continues to work on a recovery plan to ensure that the standards of service delivery and case management support for Ontario Works clients remains the utmost priority.

In June 2015, a total of 44 staff were redeployed to case management to reduce the client to staff ratios and provide an opportunity to manage client services with the challenges of SAMS. On June 22, 2015, Report CES15020 was provided to Council as an update on Hamilton's experiences and challenges with the system.

On October 21, 2015, the Ministry of Community and Social Services released an update on the Social Assistance Management System with their Integrated Transition Plan. This plan was provided with the Ontario Works SAMS Update (CES15020(a)) Report to the Emergency and Community Services Committee on November 9, 2015. The Integrated Transition Plan addresses concerns with SAMS and includes 19 recommendations and 17 identified projects from the independent report conducted by PricewaterhouseCoopers earlier this year.

On December 2, 2015, the 2015 Annual Report from the Auditor General of Ontario was released. The Auditor General conducted a Value for Money Audit on SAMS and provided 5 recommendations that the Province will link back to their Integrated Transition Plan.

## **Ontario Works Caseload**

As of October 31, 2015, the City of Hamilton's Ontario Works caseload was approximately 12,828. The caseload size is only an approximation at this time as

validated reports are not yet available. This represents a 6.15% increase from the October 2014 caseload of 12,085 despite the fact that a 2.1% decrease in the caseload was anticipated for 2015.

The Province has reported that Ontario Works caseloads have steadily increased since SAMS implementation. This trend is not in line with historical seasonal caseload patterns and fluctuations. The Province is further investigating this data to find the cause.

Within the City of Hamilton, the focus for the first half of 2015 was on primary case management functions to complete applications for Ontario Works and ensuring payments were issued accurately and timely to all eligible participants. Consequently, the impact of this to caseload size is that regular face-to-face interactions which normally take place to move individuals off of social assistance were not occurring.

### **Subsidy Claims and Reports**

There is a lack of validated financial reporting within SAMS. Not only has the technology changed with this new system, but the way in which financial items are tracked has changed in comparison to SDMT. This has both long and short term effects on the City being able to accurately reconcile payments and reimbursements.

There is a provincial work group conducting a Subsidy Claim pilot which is focused on validating data, fixing defects and facilitating reconciliation. The City is waiting for the results of this pilot which includes seven other municipalities.

Due to the lack of reporting, the City is struggling with reconciling the year ending 2015. Provincial funding for November and December 2014 expenses were based on historical averages and could result in additional dollars being owed to the City. A Memorandum sent from the Ministry of Community and Social Services on December 17, 2015 (attached as Appendix B to Report CES15020(b)) indicates that the financial reports will be re-run in early 2016 in order to assist with year-end financial reconciliation within the municipalities.

### **Mitigation Strategies**

#### **Business Transformation Team**

The Business Transformation Team was established in May 2015 to lead the continuing SAMS recovery ensuring service delivery standards and case management support for Ontario Works clients remain the priority.

Phase One focuses on Case Management stabilization and Phase Two focuses on the recovery for the specialty units (Enhanced Verification Process, Family Support, Special Supports, Eligibility Review and Overpayment Recovery).

Top priorities for BTT are:

- Implementing Change Management and Communication Plans
- Monitoring and measuring key performance indicators for case management
- Conducting a second study locally in Q1 2016 to measure the time to perform key eligibility and case management functions within SAMS
- Aligning local recovery efforts to Provincial plans and changes

### **Participation on Provincial/Regional Work Groups**

Staff continue to participate and provide our local perspective on a number of work groups focused on improving SAMS. Senior management, Ontario Works staff and the Ontario Municipal Social Services Association (OMSSA) are lobbying the Province to recognize the full depth of the issues SAMS has created.

In May 2015, the Provincial Business Recovery Working Group (BRWG) conducted a time study with 11 municipalities, including Hamilton, to determine the average time spent on routine case management functions between the former SDMT system and SAMS. The results for Hamilton in Table 2 below, show that although staff are becoming more proficient in SAMS, that the average time spent on key activities is now much longer than in SDMT. This finding is consistent province-wide and is likely to remain higher than before SAMS, creating service delivery pressures for the department. The full report of this study was provided to the Association of Municipalities in October 2015 and is attached as Appendix C to Report CES15020(b).

**Table 2: BRWG Time Study Results for Hamilton**

<b>Activity</b>	<b>Hamilton Average in SDMT (minutes)</b>	<b>Hamilton Average in SAMS (minutes)*</b>
Application	68	101
Statement of Income	2	5
Address Change	N/A	7
Add a Dependent	N/A	15

\*From Hamilton, 10 frontline staff participated as part of the study to determine the Hamilton average in SAMS

### **Provincial SAMS Integrated Transition Plan Impacts to Hamilton**

The Ontario Works SAMS Update CES15020(a) Report on November 9, 2015 to the Emergency and Community Services Committee provided an overview of the Ministry of Community and Social Services Integrated Transition Plan. This plan addresses the issues with the initial launch of the provincially mandated Social Assistance Management System and includes 19 recommendations and 17 identified projects from the third party advisor PricewaterhouseCoopers (attached as Appendix D to Report CES15020(b)).

The focus is on five key areas including:

- Engagement and Planning
- People
- Process
- Technology
- Transition to Operations

The City of Hamilton has reviewed the Ministry's plan and assessed the activities and deliverables the Province outlined in support of local recovery efforts. Program enhancements to SAMS have been scheduled by the Province to continue as far as February 2017. Table 3 outlines some of the critical milestones on the Provincial SAMS Integrated Transition Plan that will impact the City of Hamilton.

**Table 3: SAMS Integrated Transition Plan Key Milestones**

	<b>June - Aug 2015</b>	<b>Sept - Nov 2015</b>	<b>Dec - Feb 2016</b>	<b>March 2016</b>
Develop and implement longer term SAMS training strategy	X	X	X	
Complete updates of user guides, job aids and other supporting documentation		X	X	
Pilot client portal functionality, including improvements to online applications and secure email	X	X		
Roll-out client portal availability				X
Introduce new functionality in SAMS (i.e. subsidy claims, interface with Family Responsibility Office)			X	X
Prepare and issue monthly status reports for each delivery site incorporating operational indicators		X	X	X

### **2015 Annual Report of the Office of the Auditor General of Ontario**

On December 2, 2015, the 2015 Annual Report from the Auditor General of Ontario was released. The Auditor General conducted a Value for Money Audit on SAMS and Section 3.12 of the 2015 Annual Report is specific to SAMS.

The Report validates and confirms the concerns the City has had, and continues to have with the performance of SAMS and the magnitude of the effects on our staff.

The following were the key findings from this report:



- **The system was not ready to launch** - The system was not properly piloted or properly tested during its development.
- **SAMS still cannot generate reports with accurate and validated information** - When the audit was completed, the Ministry was still in the process of trying to fix the defects and get SAMS working properly.
- **Since SAMS reporting function was defective from the beginning, municipalities could not total their payments and claim reimbursements** - Until defects are dealt with, problems will persist, and SAMS will remain difficult to use for staff. SAMS will continue to generate incorrect eligibility determinations and benefit payments and continue to generate inaccurate reports our municipality needs to properly manage Ontario Works.
- **SAMS was defective at the time of launch and continues to be a defective system making it difficult to identify errors** - At the time it was launched, SAMS contained about 2,400 serious defects (as of July 31, 2015). When the Auditor General of Ontario created this Annual Report, there were 771 serious defects outstanding in SAMS but they noted this number is not complete, however, because many defects have yet to be identified.

**Until most of the serious defects are identified and fixed, and software upgrades are properly tested, SAMS will continue to generate errors.**

- **SAMS adversely affected client service** - In order to deal with ongoing functionality issues, caseworkers will still have to use time-consuming “workarounds” to circumvent SAMS’ processes.

SAMS shifted “the majority of caseworkers’ time and effort to performing “workarounds” when they could have been spending that time on providing the full range of case-management services to clients.”

**Until the Ministry addresses the flaws in the system design, SAMS will continue to force caseworkers to spend more time dealing with its shortcomings than helping their clients – even after all the defects have been fixed.**

- **Staff Morale was significantly affected with the SAMS launch** – After the launch of SAMS, about 80% of Ontario Works and ODSP offices reported that caseworkers had to deal with many problems sparked by SAMS, and that there were significant issues with staff morale.

The system was not functioning properly and caseworkers had to deal with distressed clients all the while trying to figure out how this new system works.

- **Ministry training of staff inadequate.** Caseworkers indicated that the training program repeatedly shut down without warning and had many errors. Over half of the caseworkers who completed a survey at the end of the program said they did not feel confident they would be able to use the system for complex real-life situations.

As per the December 2, 2015 Memorandum from Assistant Deputy Minister Richard Steele which is attached as Appendix E to Report CES15020(b), the Ministry of Community and Social Services has accepted and is implementing all of the Auditor's recommendations, many of which are addressed as part of the Ministry's Integrated Transition Plan.

### **Local Impacts of SAMS**

Staff working within the Quality Assurance & Compliance Unit (QA&C) have been required to develop training, support tools and workarounds because of known defects in SAMS. This complicated and time consuming work is done by a dedicated team of ten professionals (Case Presenting Officers, Program Review Officers, Trainers and Program Communication Secretaries) and is critical in assisting Ontario Works staff.

Since March 2015, the two trainers have spent an estimated 980 hours providing the following training to staff:

- SAMS refresher training for specific areas (letters, outcome plans, etc.)
- Training to redeployed and returning staff

This 980 hours does not include the time spent developing training material over and above what has been provided by the Province. QA&C staff review the Province's job aides and user guides to assess Hamilton's impact and applies local processes to these materials. The work of the team is further complicated by the fact that updates or fixes to correct known defects in SAMS are not communicated in a timely or consistent manner from the Province.

### **System Payments - Data Centre**

There is a financial risk to the City of Hamilton given that SAMS is unable to provide a financial control mechanism that protects against system payments issued in error. Ontario Works staff have had to implement internal workarounds and safe guard mechanisms to counter-act SAMS inability to perform these accountability checks. This has created a workload issue for staff as they must perform manual reviews in addition to their normal duties.

### **Impact to Specialty Units**

Upon implementation of SAMS, some staff from the specialty units (Enhanced Verification Process, Family Support, Special Supports, Employment, Eligibility Review and Overpayment Recovery) were redeployed to assist with the workload and ensure client service. The province had communicated that in order to assist with implementation issues related to SAMS certain specialty functions would be temporarily placed on hold including Enhanced Verification Process, Family Support and Overpayment Recovery. Staff will continue to monitor future financial impact of these workload mitigations on the City. The full scope of the financial impacts to the City as a result of this workload mitigation will not be understood for approximately 2-3 years.

## **Staff Morale**

The challenges throughout SAMS implementation on staff have included, but are not limited to time, training and adjustment to changing business practices.

When SAMS first launched in November 2014, we were in crisis mode. Staff were conducting manual applications with the client and entering the information into SAMS after the client left the office. Clients were seen and staff's focus was on completing applications and ensuring clients received their payments. There was limited face-to-face counselling. Some staff were redeployed into new roles within Ontario Works to help with recovery and have not returned to their original job function.

There have been some improvements since implementation. Staff are now providing an essential level of service which means they are completing applications, outcome plans, face-to-face counselling and making referrals to internal employment services as well as within the community. Staff have had more practice and experience with SAMS and have gained confidence in the system, but there are still numerous workarounds that need to be completed by staff due to system defects.

The dedication of the Ontario Works staff has been invaluable in mitigating the negative impacts of SAMS on the clients and the Corporation. Staff remain committed to supporting clients and ensuring their financial assistance needs are met.

To help support staff and continue open lines of communication, Learning and Development Plans were developed as a tool for Managers to support staff.

## **Community Impact**

Community agencies who partner with the City to provide employment service and support to Ontario Works clients have experienced a decline in referrals.

Employment resources were reallocated to the case management role when SAMS was implemented as the focus was on completing applications and ensuring accurate, timely payments were issued to clients. Less support was provided to clients for community referrals and employment counselling. As a result of the challenges experienced, clients may remain on the caseload for longer periods of time.

## **Next Steps**

While the Province is actively engaging municipalities, including our Ontario Works Administrators and staff participating on provincial and regional work groups, the City is concerned that stabilization and the restoration of data integrity could go into the end of 2016 or potentially longer.

The City has a vested interest in SAMS becoming fully functional so that the focus can once again be put on supporting clients. To facilitate this goal internally, the Business Transformation Team will continue to work through its recovery plan and Change Management and Communication Plans to ensure staff and client needs are met.

Components of the internal recovery plan rely heavily on actions from the Province's Integrated Transition Plan such as subsidy claim and financial reconciliation report fixes.

The City is reaching out to comparable municipalities to share successes and challenges with SAMS. These learnings will assist in future development of strategies and recovery efforts.

Updates for Emergency and Community Services Committee and Council to expand upon incurred costs and impacts related to SAMS will continue to be provided as required.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

There are no policy or legislative implications associated with Report CES15020(b).

## **RELEVANT CONSULTATION**

The Finance, Administration and Revenue Generation Division have reviewed and validated the implementation costs identified in Report CES15020(b).

## **ANALYSIS AND RATIONAL FOR RECOMMENDATION**

Ontario Works is a provincially mandated program. Since the City has been designated by the Province as a Consolidated Municipal Service Manager, it is required to deliver the program in accordance with the Ontario Works Act and Regulations. The City is also required to utilize the provincially mandated software SAMS to issue payments to clients. SAMS was not ready when implemented which created chaos and frustration for staff and clients alike. The City experienced major workload issues and financial impacts due to this system. These impacts continue to put a strain on our staff, clients and community partners.

The City of Hamilton will be requesting financial reimbursement for all additional costs incurred by the City over and above the \$549,000 (100% funding) previously received as a result of the implementation of the Social Assistance Management System (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(b): 2015 Annual Report From the Auditor General of Ontario

Appendix B to Report CES15020(b): Memorandum from Director, Social Assistance and Municipal Operations Branch, Jeff Bowen

Appendix C to Report CES15020(b): Ontario Municipal Social Services Association  
SAMS Business Recovery Working Group  
Report

Appendix D to Report CES15020(b): The Path Forward: Integrated Transition Plan  
October 2015

Appendix E to Report CES15020(b): Memorandum from Assistant Deputy Minister  
Richard Steele