



STAFF REPORT ACTION REQUIRED

An Update on the City Services Benefit Card Implementation

Date:	September 27, 2013
To:	Government Management Committee
From:	Deputy City Manager, Cluster A
Wards:	All
Reference Number:	

SUMMARY

The purpose of this report is to provide a status update on the future enhancements and applications of the City Services Benefit Card (CSBC) both for Employment & Social Services Division (TESS) and potentially for other Divisions within the City, including engaging other municipalities to discuss potential rollout of the payment card initiative to other Ontario Works service providers across Ontario.

Further, the report provides details of a TESS initiative to plan, develop and implement a Drug Benefit Card program as a new phase of the CSBC. TESS seeks to replace the current paper Drug Benefit Eligibility Card which is produced and issued monthly to all Ontario Works (OW) clients under the Provincial OW legislation, with a permanent plastic Drug Benefit Card and an online web portal / interface to support the querying of OW clients' eligibility by drug dispensers / pharmacists.

The development and implementation of this card will enhance the client experience with accessing drug benefits under the Ontario Drug Benefit Program and will also streamline administrative processes at TESS offices, resulting in cost savings for the City/TESS. This new card could also be used to support eligibility confirmation for the TESS emergency dental and dentures program.

RECOMMENDATIONS

The Deputy City Manager Cluster A recommends that City Council:

1. Grant authority to the General Manager, Employment & Social Services to issue a Request for Proposal (RFP) for a Drug Benefit Card, and award a contract contingent on the considerations outlined in this report from the Deputy City Manager, Cluster A, including lowering current City costs, and;
2. Direct the Deputy City Manager, Cluster A, report back to Government Management Committee on options for future applications of this technology to modernize service delivery.

Financial Impact

Funding for the development and implementation of the Drug Benefit Card program is included in TESS's 2013 -2022 Approved Capital Plan as part of the Case Management project, with \$0.8 million budgeted in 2013 and \$0.6 million budgeted in 2014. Savings that may materialize from the development and rollout of this project will be included as efficiencies in future-year operating budget submissions for TESS and other City Divisions.

The Deputy City Manager and Chief Financial Officer have reviewed this report and agree with the financial impact information.

DECISION HISTORY

The City Services Benefit Card's (CSBC) has resulted in service benefits to Torontonians and realized cost savings. The future use and functions of the CSBC within TESS and other City Divisions are outlined in the following Staff Reports:

- 2011.GM5.5 – Modernizing Service Delivery through Card Technology
(<http://www.toronto.ca/legdocs/mmis/2011/gm/bgrd/backgroundfile-39104.pdf>)
(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.GM5.5>)
- 2013.GM22.17 – An Update on the City Services Benefits Card Implementation
(<http://www.toronto.ca/legdocs/mmis/2013/gm/bgrd/backgroundfile-57925.pdf>)
(<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM22.17>)

At its meeting on July 12, 13 and 14, 2011, City Council:

1. Endorsed in principle the strategy for using card technology to develop a City Services Benefit Card capable of supporting transactional business requirements; and

2. Granted authority to the Acting Deputy City Manager, Cluster A, to issue a Request for Proposal (RFP) for a City Services Benefit Card, and award a contract contingent on the considerations outlined in the report from the Acting Deputy City Manager, Cluster A and the Treasurer, including lowering current City costs.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2011.GM5.5>)

At its meeting of February 25, 2013, the Government Management Committee requested that the General Manager, Employment & Social Services, report back to the May 13, 2013, Government Management Committee meeting on the implementation to date of the City Services Benefits Card and other opportunities to expand its use for City of Toronto services, including any agencies or corporations.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM20.4>)

Subsequently, at its meeting on May 13, 2013, the Government Management Committee:

1. Requested the Deputy City Manager, Cluster A, to report back to Government Management Committee at its October 2013 meeting, on future applications of this technology as evaluations and business cases for feasible options are completed, including requesting the Toronto Community Housing Corporation to evaluate opportunities to see if some form of this card can be utilized to streamline and enhance their housing application process.
2. Requested the Acting General Manager, Employment and Social Services, to report to the Government Management Committee meeting on October 15, 2013 on the progress to date on the following possible uses for the City Services Benefit Card within Toronto Employment and Social Services as initially discussed, followed by potential applications in other City services:
 - a. Prescription Drug Benefits - replace the current paper drug card with a single issuance electronic Drug Benefit Card. This card would be issued once for ongoing use, eliminating the monthly production and mailing of paper drug cards to OW clients. This enhancement to client service would benefit all clients in receipt of OW in Toronto.
 - b. Special Benefits Card - facilitate the payment of additional financial benefits replacing the current administratively onerous paper voucher system with a modernized electronic payment for:
 - one time, in-kind medical benefits such as eyeglasses, wheelchairs, walkers, or prosthetics;
 - ongoing medical supplies such as diabetic supplies issued through TESS' Client Special Services Unit; and

- assistance issued under the housing stabilization fund to residents leaving shelters for housing, for in-kind items associated with establishing a home.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2013.GM22.17>

ISSUE BACKGROUND

The CSBC, implemented July 2012, is a reloadable electronic funds transfer card. It is the first of its kind in Canada, achieving administrative efficiencies and cost savings for the City and delivering important benefits for unbanked clients of Ontario Works. The CSBC reduces OW recipients reliance on expensive cheque cashing fees, improves the security of their funds and their personal safety, provides tools to better manage their funds, provides effective supports through the customer care call centre and helps reduce the stigma associated with the "welfare cheque".

At the same time, TESS and the City benefit from efficiencies associated with the CSBC. This re-loadable card program has reduced the number of cheques produced by TESS and has thereby saved considerable costs associated with cheque administration processes including cheque handling, production, postage, reconciliation, replacement and management.

Building on the success of the CSBC and consistent Council direction, TESS, working with Cluster A divisions, is identifying further opportunities to streamline and modernize services to Torontonians. One of these applications is the development of a permanent plastic Drug Benefit Card to replace the current paper Drug Benefit Eligibility Card issued monthly to all OW clients.

Current Ontario Drug Benefits Eligibility Card Process

The current Drug Benefit Eligibility Card process involves issuing a monthly paper card to all OW clients. These cards are typically mailed to OW clients along with their monthly statement of benefits. The cards are presented by OW recipients to drug dispensers/pharmacies to confirm their eligibility for the Ontario Drug Benefit Program (ODBP).

One of the key issues with a monthly paper card is that they may not be received by the client, or may be damaged or lost on route. As required, TESS local offices issue / replace the cards manually when an OW client has a prescription for medications to be filled.

The client's primary drug dispenser/pharmacy retains the original card, or a copy, on file for a period of two years. The retention of the original card by one pharmacy can limit the client's ability to utilize another drug dispenser/pharmacy during the month of eligibility unless a subsequent manual Drug Benefit Eligibility Card is issued.

The Ministry of Health and Long Term Care is responsible for the administration of the Ontario Drug Benefit Program (ODBP) through its Drug Programs Branch (DPB).

Pharmacists receive information related to prescription drug claims for all Ontarians eligible for coverage in any one of the relevant programs (i.e. social assistance recipients, seniors, Trillium Drug Program applicants/recipients etc.) through the Provincial Health Network System (HNS). This information, updated daily, is used to validate eligibility for drug benefits and provides messages and information to pharmacists regarding drug utilization (i.e. potential drug interactions/contra-indications and duplicate prescriptions).

One issue with this system is that, while it is typically updated daily, there can be delays which can jeopardize an OW recipient's ability to quickly obtain necessary prescriptions drugs.

Modernizing the Drug Benefit Card

Given the issues noted, TESS has been exploring options for eliminating the monthly and manually driven paper card based processes. These options leverage CSBC technology and infrastructure. The proposed solution involves the issuance of a permanent plastic Drug Benefit Card to all TESS OW clients and establishing an on-line interface for drug dispensers/pharmacies to confirm eligibility of TESS OW clients in real-time.

The implementation of a permanent plastic Drug Benefit Card has two significant advantages:

- it will eliminate the need for a monthly paper card and associated costs with this cumbersome process, yielding efficiencies and cost savings to the City
- will ensure OW recipients can easily access prescription medications for which they are eligible.

In addition to its use for verifying eligibility for the ODBP, a permanent plastic Drug Benefit Card can also be used by OW clients when seeking emergency dental/denture services.

Currently, when an OW client attends a dental office for the provision of emergency dental or denture services, the individual must declare they are an OW client. The dentist/denturist will request confirmation in the form of a current statement of benefits stub, or paper drug card. If the client has not received a card, or it is damaged, they may need to visit their local office for a replacement card, or the dentist/denturist will need to contact the contract administrator, Great West Life (GWL), who in turn must contact the City/TESS for confirmation of eligibility.

Similar to the HNS process, described above, data is exchanged between TESS and GWL for the regular confirmation of eligibility. However, eligible OW clients may not always appear on the GWL database, making it difficult for them to access emergency dental/denture care. Similar to the advantages discussed above related to the drug benefit

program, a permanent plastic Drug Benefit Card would also help OW clients in accessing emergency dental services.

COMMENTS

As described above, current monthly, manual, paper-driven and outdated processes of producing and mailing paper drug cards each month are inefficient and costly to administer. A proposed permanent plastic Drug Benefit Card will result in lower costs to the city for the administration of the Drug Benefit program for Ontario Works clients. Projected annual operating costs of the current drug card process are outlined below, based on 2012 actual costs:

Description	Total (Net of HST)
Monthly Centralized Paper Drug Card production (1,026,598 per year)	\$89,980.00
Manual Local Paper Drug Card production (13,000 per year)	\$880.00
Postage (1,026,598 per year)	\$646,756.92
Total Annual Cost	\$737,616.92

Based on divisional estimates, it is anticipated that savings resulting from the streamlining of administrative processes and the elimination of monthly production and mailing costs of the current paper Card will offset the total anticipated contract costs.

The design, development and implementation of a plastic Drug Benefit Card for all TESS OW clients will also provide further opportunity for potential expansion of services beyond the electronic financial transfer (EFT) capabilities of the current CSBC chip/PIN card.

A summary of benefits to OW clients and the City/TESS anticipated from the development and implementation of the Drug Benefit Card include:

Benefits to OW Clients:

- Reduction or elimination of the loss, theft or damage of the current paper drug cards
- Easier access to prescription drugs and emergency dental/denture care as OW clients will have a permanent plastic card for eligibility confirmation purposes
- Reduction in the number of visits required to TESS local offices for the purposes of picking up paper drug cards
- Transportation cost and time savings resulting from the decreased number of office visits
- The availability of 24/7 support for the Drug Benefit Card service

- Improved privacy compared to the current service model in which a paper drug card - including the clients Ontario Health Card number - is mailed each month
- Expanding on the successes of the City Services Benefit Card regarding enhancing self-esteem, and reducing social stigma for our clients
- Modernized business processes pertaining to the drug benefit program.

Benefits for the City/TESS:

- Modernized and improved quality of service to City residents
- Reduced cost of producing/replacing/mailling paper drug cards monthly
- Streamlined business processes through the elimination of manual replacement paper drug cards in the local office
- Reduction in office traffic for administrative purposes as clients will not have to attend a TESS local office to pick up replacement paper drug cards
- Reallocation of TESS resources from repetitive administrative functions to important client service activity in employment services and supports.

The proposed option for a permanent plastic Drug Benefit Card is for a card that provides authentication and initial confirmation of eligibility for specific services (drug and dental services). Further services may be able to utilize the Drug Benefit Card model for authentication purposes. For example, this same card technology may have potential for tracking attendance, registration and participation in various TESS services at employment centres and even in programs provided by other divisions, as noted below.

When an individual is no longer eligible for benefits through OW, while they will still possess a drug card, a pharmacist will be unable to dispense medication under OW. Through the Health Network System, the client will be shown to be ineligible. This part of the overall process remains unchanged.

Future opportunities for the City of Toronto

In addition to the expansion of the CSBC through a permanent drug card solution, other potential applications in two City service divisions can also capitalize on the CSBC.

Shelter Support and Housing Administration (SSHA)

- *Emergency Funds* – the CSBC could support the potential issuance of funds to shelter residents who are displaced from their housing due to emergency situations and require funds for hotel rooms, food, etc. In past such situations, these services and benefits have been provided through a voucher process.
- *Voucher Honorarium* – the CSBC could support the issuance of funds to shelter residents to replace the current process of issuing "coupons", gift cards, etc.

Public Health Applications

- *Voucher Honorarium* – the potential issuance of funds to participants in various Public Health programs as a means of replacing the current paper voucher and gift coupon processes.

TESS is working with both SSHA and Public Health to explore potential advantages of a CSBC solution in these areas, and will continue to provide support and assistance as required. City Privacy & Security experts will be engaged as necessary for any further City implementations, including the potential Drug/Dental Benefit Card for active TESS clients.

Future Opportunities for Ontario Works Delivery Agents throughout Ontario

In June 2013, TESS was invited to an information session for Administrators of Ontario Works to outline the current CSBC solution and its successful implementation in Toronto.

With most OW service providers in Ontario having maximized the use of Direct Bank Deposit (DBD) to make payments to clients (the most cost effective option), adopting an electronic benefit card for the remaining clients would yield efficiencies and improved customer service, as has been the case in Toronto.

Because all municipal OW service providers in Ontario use the same provincial Service Delivery Model Technology (SDMT) to administer OW, the implementation of the CSBC payment card solution would be relatively easy and efficient. By adopting the CSBC solution to meet their local needs, the interested municipalities could move forward in an expedited manner to provide a payment card option to their clients who are currently receive cheques.

Following the lead of TESS and the City of Toronto, it is expected that several municipal OW service providers in Ontario will initiate a payment card option to improve service delivery to their clients and provide their clients with the benefits associated with the payment card and to achieve business efficiencies and potential cost savings at the municipal level.

Future Opportunities for the Province in the Delivery of the Ontario Disability Support Program (ODSP)

Provincial representatives who administer the Ontario Disability Support Program (ODSP) have indicated to TESS their interest in providing a payment card to replace cheques as a payment option for their clients who are not able to utilize the DBD payment option. The province states this group represents approximately 15% of their total ODSP caseload. They are actively exploring available options with financial institutions currently, and seeking guidance from TESS' experience with the CSBC.

ODSP recipients would also see the same improvements in service that TESS' clients have experienced. Given that the province services Torontonians in receipt of ODSP, the impact of the province moving forward with this initiative will also benefit vulnerable Toronto residents.

Next Steps

TESS will continue to work with Cluster A divisions to explore options for introducing the CSBC in ways that benefit city residents while reducing City costs, as well as with OW service providers across Ontario and the provincial ODSP Branch administrators with respect to advancing the use of payment card technology to support their client service and administrative modernization objectives.

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SIGNATURE

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