



# Staff Report

## Cuts to Social Assistance Benefits: A Public Health Perspective

<b>Date:</b>	September 12, 2012	
<b>To:</b>	Board of Health	
<b>From:</b>	Dr. Rosana Pellizzari, Medical Officer of Health	
<b>Original signed by</b>	<b>Original signed by</b>	
Rosana Pellizzari, M.D.	Christine Post, Health Promoter	

### Recommendations

That the Board of Health for the Peterborough County-City Health Unit:

- Send a letter to John Milloy, Minister of Community and Social Services, Eric Hoskins, Minister of Children and Youth, Kathleen Wynne, Minister of Municipal Affairs and Housing, and Deb Matthews, Minister of Health and Long-Term Care, with copies to Ontario Boards of Health and the Association of Local Public Health Agencies (alPHA), to request enhanced provincial funding of discretionary benefits for people receiving social assistance, and continued support for housing retention, moving, and home maintenance expenses.
- Share the contents of this report with members of the City of Peterborough Joint Services Steering Committee and members of Peterborough City and County Councils, along with a letter which highlights the vital importance of Discretionary Benefits and housing start-up and maintenance benefits for people receiving social assistance from a public health perspective.

### Financial Implications and Impact

Loss of funding to discretionary benefits for social assistance clients could impact funding for Peterborough County-City Health Unit (PCCHU) dental programs. It could also dramatically

increase demand for funds administered by the Health Unit through the Dental Treatment Assistance Fund, and the HBHC Equipment and Supplies Fund.

### **Decision History**

The Board of Health has not previously addressed this matter.

### **Background**

The 2012 Ontario Provincial Budget removed approximately \$133 million annually from benefits to people on social assistance:

- Discretionary health and non-health related benefits will lose about \$20 million provincially as a result of a new cap which took effect on July 1, 2012. In Peterborough, it is projected that discretionary benefits will provide approximately \$1.95 million dollars in benefits to social assistance recipients in 2012 (below the budgeted 2012 amount of \$2.54 million). The new cap will result in a program budget of approximately \$924,000 for 2013.
- \$110 million will be lost provincially through the elimination of the Community Start Up and Maintenance Benefit (CSUMB) as of January 1, 2013, (50% of this money will return to municipalities under the Long-Term Affordable Housing Strategy to fund housing and homelessness programs for all low-income people, but criteria have not yet been developed). In Peterborough in 2011, CSUMB provided \$2.8 million to local families on social assistance to help them either set up a new home or keep the home they have.
- \$3 million will be lost provincially through the elimination of the Home Repairs Benefit as of January 1, 2013.

Efforts are being made by many groups to advocate for the reversal of some of these cuts, but without a swift response from the province, it appears inevitable that municipal governments will have to make key funding decisions for the balance of 2012, and going forward into 2013. Some municipalities have already decided they will not replace the provincial funds. Others, such as Peterborough, have covered the shortfall for 2012, and will be making decisions for 2013 as part of their budget processes this fall. At the same time as the cuts are taking place, the uploading of Ontario Works costs to the province will result in significant municipal saving that will increase each year until 2018. These savings could be used to offset the drop in funding from the province for social assistance benefits, but that is a local decision.

Cuts to benefits for people on social assistance will destabilize individuals and families and push them into crisis. Table 1 below, "What's Left After Shelter and Food Costs", illustrates the incredibly low monthly incomes that people receive through social assistance and the very limited (or in some cases negative) amount that people have left over after they pay for rent and food. Cuts to Discretionary and CSUMB benefits will increase costs to other social, medical

and justice systems, and increase demand on a wide range of community supports, which are less comprehensive and much more difficult to access.

In terms of the PCCHU, cuts are a significant concern from a variety of perspectives. They undermine our efforts to address the social determinants of health for a large number of our most vulnerable community members. They will increase hardship for many direct clients of our public health programs (e.g., Healthy Babies Healthy Children (HBHC), Nobody's Perfect, oral health services, and food security programs). In the case of our dental programs, they could more broadly affect our program delivery. Cuts can be expected to increase demand for some support funds we administer (e.g., HBHC Equipment and Supplies Fund, Dental Treatment Assistance Fund) and could affect the accessibility of some of our programs to clients (through their impact on transit subsidies). Cuts will also undermine some of our broader public education and policy efforts in injury prevention (through a loss of funding for safety equipment), the built environment (through a loss of transit subsidies), and access to recreation (through a loss of recreation subsidies for children). The overall expected impact will be a reduction in the physical and mental health of many of the priority populations we are asked to address in the Ontario Public Health Standards.

**Table 1: What's Left After Shelter and Food Costs?**

Monthly Income after tax)/Costs	Single Man (Ontario Works)	Single Man (Ontario Disability Support Program)	Single Woman age: over 70 (Old Age Security/ Guaranteed Income Security)	Single Mother Family of 3 (Ontario Works)	Family of 4 (Minimum Wage)	Family of 4 (Median Income)
Monthly Income, including Benefits & Credits	\$642	\$1,115	\$1,326	\$1,855	\$2,639	\$6,360
Estimated Shelter Cost	\$639	\$774	\$774	\$915	\$1,101	\$1,397
Cost of a Nutritious Diet	\$264	\$264	\$196	\$599	\$790	\$790
<b>What's Left?</b>	<b>-\$261</b>	<b>\$77</b>	<b>\$356</b>	<b>\$341</b>	<b>\$746</b>	<b>\$4,173</b>

**REMEMBER: People still need to pay for utilities, phone, transportation, cleaning supplies, personal care items, clothing, gifts, entertainment, internet, school essentials, medical and dental costs, and other purchases.**

### Rationale

Research has demonstrated that positive public health outcomes are strongly influenced by a wide range of conditions known as the 'social determinants of health'. These social determinants include factors such as adequate income, housing security, food security, employment, education, and access to health care, among others. Clear direction is provided to public health agencies from both Canada's Chief Public Health Officer and Ontario's Chief Medical Officer of Health for addressing these social determinants through healthy public policy in a wide range of spheres <sup>1,2</sup>.

While all the social assistance Discretionary Benefits are related to the determinants of health in some way, six are particularly relevant to public health and are discussed below, along with the CSUMB.

***Basic Dental Services and Dentures (Locally \$579,431 and \$183,288 respectively in 2012):***

Basic dental services will continue to be provided as mandatory benefits to ODSP clients, but benefits for Ontario Works and ODSP-dependent adults (clients who are 18 years or over and supported through their parents' ODSP benefits) could be lost. The benefit currently includes basic dental services (preventive and treatment), and up to a maximum of \$1,500 for dentures for OW and ODSP clients.

Oral health is important to health in a wide variety of ways. Dental caries, or cavities, can lead to infection, pain, abscesses, chewing problems, poor nutritional status and gastrointestinal disorders. There is also growing evidence that periodontal disease, also known as gum disease, can be related to a number of other serious health conditions, such as certain bone-related and inflammatory conditions.<sup>3</sup>

Currently, more than 60% of the clients in our PCCHU dental clinics are adults who are receiving either social assistance or Non-Insured Health Benefits. Cuts to Basic Dental Services of Discretionary Benefits would impact the revenue streams for the fixed and mobile clinics. They would reduce the range and availability of services for ALL our clients, and could threaten our ability to sustain the infrastructure of our programs (such as rent, utilities, and equipment). Due to the uncertainty of the present situation, the clinics are not booking clients beyond December, 2012.

We are seeing many clients in our clinic who report that they haven't seen a dentist for 2 – 15 years. They've told us that they've had considerable difficulty finding a private dentist, but they find our clinic to be a very warm and welcoming place. The only alternative source of funding for adult dental care in our community is the Dental Treatment Assistance Fund, which offers limited assistance for dental emergencies only. It is funded by private donations, and administered by the Health Unit. The fund is currently exhausted and there is a growing waiting list.

We are currently participating with other community partners in a provincial postcard campaign to obtain dental benefits for all low income adults in Ontario.

***Vision Care (\$160, 591 in 2012) and Hearing Aids (\$8,142 in 2012):***

The current vision benefit covers a maximum of \$250 for vision care in a 24 month period for OW and ODSP-dependent adults. The current hearing aid and batteries benefit provides up to \$500 for a hearing aid in a three year period for OW adults and children and ODSP-dependent adults, as well as the cost of batteries. Clients can also get additional support for hearing aids from the Assistive Devices Program at the Ministry of Health and Long-Term Care (\$500 - \$1,000 in a three year period), but costs can be in the thousands.

Clearly, vision and hearing are vital to an individual's ability to live, learn, work and actively participate in society. Because of the high cost of these items, and very low social assistance incomes, many people would not be able to afford them without Discretionary Benefits. Elimination of the benefit would create huge barriers for adults trying to re-enter the work force, and would make it extremely difficult for OW families to obtain hearing aids for their children. Without this support, a child who is hearing impaired would suffer greatly in terms of school success and social inclusion.

***Travel and Transportation (\$453,957 in 2012):***

This benefit provides a subsidy of \$34/month for OW and ODSP adults to purchase a monthly City transit pass. Individuals pay the remaining \$21 for the pass themselves. The benefit also covers some transportation costs for other specific purposes.

Over the last several years, PCCHU has increasingly recognized the importance of the built environment in supporting a healthy community. We have provided input into a number of strategic urban planning exercises, including the Central Area Master Plan, the Transportation Plan, the Integrated Community Sustainability Plan, and the Policy Direction Review of the City of Peterborough's Official Plan. Through extensive public and stakeholder consultation, each of these plans has identified the need for enhanced public transportation that is accessible, affordable, efficient and effective in supporting the needs of the community. Access to affordable and accessible public transportation has particular importance to low income people on social assistance, who have very few alternatives for transportation.

Many of Peterborough's social housing units are located outside of the downtown core and away from service centres. Without the transit subsidy, many people on social assistance would not be able to afford the transit pass and would be cut off from access to services such as food banks, food security programs, counseling, and addiction services. They would also experience increased isolation as a result of being cut off from community activities and social support networks.

***Baby Supplies and Equipment (\$70,536 in 2012):***

This fund covers Infant car seats (up to \$125), booster seats (up to \$50), cribs (up to \$200), and the purchase or rental of a breast pump. In 2011, \$56,000 was distributed to social assistance clients through approximately 244 requests for assistance for these items. It does not cover baby gates, which are also important child safety items.

The baby items covered by this Discretionary Benefit are absolutely essential. For instance, any new parent needs to demonstrate that they have a car seat that complies with current Canadian Motor Vehicle Safety Standards in order to take their child home from the hospital, even if they don't own a car of their own. Parents who can't purchase a new seat will be forced to use older equipment obtained from family, friends, or curb-side pick-ups, that may be expired, missing parts, have an unknown history, or not comply with Canadian safety standards.

Parents who can't afford new cribs will also use older and perhaps unsafe models, and will make use of alternatives like play pens, drawers, and family beds. They may also use bassinets or cradles longer than recommended. The Children's Aid Society is vigilant to investigate "unsafe sleep situations", and can take children into care if their needs are not being met.

PCCHU has its own small Equipment and Supplies Fund (\$2,000 - \$3,000 per year) for Healthy Babies Healthy Children and Infant Toddler Development clients, which receives donations from a Service Club and private individuals. It is used both for larger items not covered by Discretionary Benefits and for baby gates, which are essential safety items to keep children away from stairs, kitchens and other unsafe areas. These funds are never sufficient to meet the needs of our clients.

***Paternity Testing, Birth Verification (\$4,080 in 2012):***

Paternity testing covers the cost of DNA testing of OW recipients and the dependent child to establish paternity in order to pursue child support, with the intent of recovering costs. Without this benefit, clients will not pursue paternity and Ontario Works will be less likely to recover child support from fathers.

Birth verification covers the cost of obtaining a Birth Certificate from the Ontario Office of the Registrar General for dependent children of OW or ODSP recipients. Currently, clients of our programs take advantage of this benefit and apply jointly for a Live Birth Registration and the Birth Certificate as soon as the child is born. A Birth Certificate is required for a child to enter school. Without the benefit, parents likely won't apply for a Birth Certificate until just before the child enters school, and it may result in delays to their entry. Health Unit staff emphasize that even the relatively low \$25.00 fee is a significant barrier to these families.

***Recreation and Social Activities Subsidy for Children (\$162,699 in 2012):***

Currently, a recreational benefit of \$200 per OW or ODSP dependent child is available for each calendar year. If this subsidy program is eliminated then there will be approximately 800 children in our community who will lose support for recreational programming and activities.

There is a significant amount of research that demonstrates the short and long-term benefits that result from increased recreational opportunities for youth:

- Participation in recreational programming/activities has been shown to protect against the negative effects of poverty and is associated with lower rates of emotional and behavioural problems and school drop-out<sup>4</sup>.
- "Young people involved in recreation are less likely to turn to smoking, drug or alcohol abuse and crime."<sup>5</sup>
- According to a report prepared for the Ontario Ministry of Health Promotion, "tax-payers are better off with improved access to recreation for low-income families. For each dollar spent on quality programs, more than a dollar's worth of benefits are generated."<sup>6</sup>
- In 2003, R. Singer reported that "for every dollar that is invested in physical activity, there is a long-term savings of \$11 in health care costs."<sup>7</sup>

In 2010, as part of our Healthy Communities Community Assessment process, access to recreation was identified as one of the top priorities for our community. In 2011, PCCHU launched an 'Access to Recreation' initiative as part of our revitalized Healthy Communities project. A number of community partners have since come together to look at the issue of affordable and accessible recreation in the City and County of Peterborough. Focus groups with the public and providers have identified that money for recreation fees and transportation are the main barriers to participation. The work group has developed an action plan to address the issue, and fee-assistance policies are seen as a key component of any effective strategy.

Unfortunately, there are few alternative sources of funding for recreation. While the City of Peterborough offers a separate recreational subsidy program, used by 382 non-social assistance children in 2011, the needs of children on social assistance could not be met by these limited funds. There is no recreation subsidy program offered by the County of Peterborough.

Removing the social assistance recreation and social activities subsidy for children would significantly undermine the efforts of the Health Unit and our partnership to increase affordable access to recreation, and would have significant health and social impacts for vulnerable children living in Peterborough City and County.

***Community Start-Up and Maintenance (CSUMB) (\$2.8 million in 2011):***

CSUMB provides people with the direct assistance they need to retain their housing and prevent homelessness. It can help families pay for the initial costs of establishing a new home (last month's rent deposit, heat/hydro deposits, moving costs, furniture and other necessities) or it can pay costs to prevent eviction or disconnection of heat or utilities.

It is well known that safe and secure housing is a key determinant of health. Housing in disrepair leads to higher risks of injury and accidental death in the home, and unhealthy exposure to extremes of heat and cold. Exposures to dampness, moulds, fungus, mites, pests, poisons, toxins and fumes (e.g., from poor insulation, asbestos, or poor heating and ventilations systems) can cause a wide range of illnesses, including asthma and other respiratory diseases, particularly among children.<sup>8</sup> The worse the conditions, the greater the health effects.

Overcrowding can also lead to physical health effects, directly and through the communication of illness to other members of the household. Overcrowding has also been strongly associated with a higher incidence of aggressive behavior among young children.<sup>9</sup>

Poor health outcomes among people in unsafe and insecure housing are also due to the chronic, long-term stress and anxiety created by their living situations. Worry over personal safety at home, an inability to repair a home or to pay the rent, produces a physical response which triggers a whole range of stress hormones that affect cardiovascular and immune systems and can result in considerable health damage. People who are experiencing housing insecurity have greater stress and an increased risk of morbidity and premature death.<sup>10</sup>

Our PCCHU home visiting program staff see first-hand that many of our clients live in very substandard housing. There are currently 1,655 people on the waiting list for social housing in the Peterborough area, and the Peterborough census metropolitan area has the highest number of households in 'core housing need' anywhere in Canada (when individuals and households pay more than 30% of their gross earnings for their housing).<sup>11</sup> Social assistance clients in our community have extremely low incomes, no extra resources to deal with a housing crisis, and few options to turn to. The "Shelter Allowance" for Ontario Works and ODSP is dramatically below the true cost of housing. Without the Community Start-Up and Maintenance Benefit, people will be forced to cut into budgets for food and other essential items, and to live in unsafe and insecure housing, which will in turn make them more susceptible to poor physical and mental health. In the worst case, they will face the prospect of homelessness, at very high personal and community cost.

### **Strategic Direction**

Supporting continued funding for Discretionary Benefits and Community Start-Up and Maintenance Benefits will contribute to the strategic direction of continuing to meet our mandate through delivery of a wide variety of programs and initiatives. It also allows us to build on our leadership role at both the municipal and provincial level.

### **Contact:**

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### **References:**

<sup>1</sup> Canada's Chief Public Health Officer, (2008). Report on the State of Public Health in Canada 2008: Addressing Health Inequities. Ottawa, ON: Public Health Agency of Canada.

<sup>2</sup> Ontario's Chief Medical Officer of Health, (2010). Health, Not Health Care – Changing the Conversation. Toronto, ON: Ministry of Health and Long-Term Care.

<sup>3</sup> Ontario's Chief Medical Officer of Health. (2012). Oral Health – More Than Just Cavities. Toronto, ON: Ministry of Health and Long-Term Care.

<sup>4</sup> Canadian Parks and Recreation Association. (2007). Everybody Gets to Play: Ontario Supplement. Ottawa, ON: Author.

<sup>5</sup> Donnelly, P. & Coakley, J. (2002, December). The role of recreation in promoting social inclusion. Toronto, ON: Laidlaw Foundation.



<sup>6</sup> Totten, M. (2007, November). Access to Recreation for Low-Income Families in Ontario: The Health, Social and Economic Benefits of Increasing Access to Recreation for Low-Income Families. Toronto, ON: Ministry of Health Promotion.

<sup>7</sup> Singer, R. (2003). The Impact of Poverty on the Health of Children and Youth. Toronto, ON: Campaign 2000.

<sup>8</sup> Brant, Toba. (2004). "Housing and Health" in Dennis Raphael (ed.) Social Determinants of Health: Canadian Perspectives. Toronto, ON: Canadian Scholar's Press.

<sup>9</sup> Jackson, Andrew. (2004). Home Truths: Why the Housing System Matters to All Canadians. Ottawa, ON: Canadian Centre for Policy Alternatives.

<sup>10</sup> *ibid.*

<sup>11</sup> Affordable Housing Action Committee. (2012). Housing is Fundamental. Peterborough, ON: Affordable Housing Action Committee.