

Minister of
Families, Children and
Social Development



Ministre de
la Famille, des Enfants et
du Développement social

Ottawa, Canada K1A 0J9

The Honourable Kevin Sorensen, M.P.
Chair, Standing Committee on Public Accounts
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Mr. Sorensen:

Pursuant to Standing Order 109 of the House of Commons, I am pleased to respond on behalf of the Government of Canada to the recommendations made by the Standing Committee of Public Accounts in its report entitled Report 6, Canada Pension Plan Disability Program, of the Fall 2015 Reports of the Auditor General of Canada, tabled in the House of Commons on September 28, 2016.

The Government of Canada thanks the members of the Standing Committee for their report and providing recommendations to improve the Program to better serve the needs of Canada Pension Plan Disability applicants and beneficiaries.

Canada Pension Plan Disability is an important social program. As Canada's largest public disability insurance program and the largest federal income security program for persons with disabilities, Canada Pension Plan Disability benefits provide income security for a significant number of Canadians with severe and prolonged disabilities.

This response provides the reports requested from the Government on each of the Committee's nine recommendations.

The Government Response also includes two (2) appendices which provide further details on several initiatives that demonstrate the Government's progress and commitment in addressing the Committee's recommendations for improving the effectiveness and responsiveness of the CPPD program, namely: the Canada Pension Plan Service Improvement Strategy: Overview and Improvements to the Canada Pension Plan Disability Program (Appendix A); and the CPPD Quality Assurance Framework for the Canada Pension Plan Disability Benefit (Appendix B).

Canada

The Government is committed to improving the Canada Pension Plan Disability program for Canadians. To that end, the Government is undertaking a comprehensive renewal of the program to ensure the program is responsive to the needs of Canadians with severe and prolonged disabilities.

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Jean-Yves Duclos". The signature is fluid and cursive, with the first name "Jean" and last name "Duclos" clearly distinguishable.

Jean-Yves Duclos
Minister of Families, Children and Social Development

Introduction

The Canada Pension Plan Disability Program

Canada Pension Plan Disability is an important social program. As Canada's largest public disability insurance program and the largest federal income security program for persons with disabilities, Canada Pension Plan Disability benefits provide income security for a significant number of Canadians with severe and prolonged disabilities.

To be eligible for CPPD, an applicant must have made CPP contributions in at least 4 of the last 6 years, or 3 of the last 6 for contributors with 25 or more years of contributions.

For the purposes of CPPD, an applicant must be considered to be disabled in accordance with the legislated definition of a severe and prolonged mental or physical disability: A disability is deemed to be "severe" if the person is incapable regularly of pursuing any substantially gainful occupation, and a disability is "prolonged" if it is determined that the disability is likely to be long, continued and of indefinite duration or is likely to result in death. Case law prescribes that in the determination of disability, personal characteristics such as age, education level, language proficiency and past work and life experience must be considered.

The 2015 Auditor General of Canada's Report on the Canada Pension Plan Disability Program

Report 6, Canada Pension Plan Disability Program, of the Fall 2015 Reports of the Auditor General of Canada, examined whether Employment and Social Development Canada assessed applications for the CPPD program in a consistent and timely manner. The report also assessed whether the Social Security Tribunal decided CPPD appeals in a timely manner.

The Auditor General's Report made eight recommendations to address concerns with the initial application process, the timeliness of decisions, the consistency and quality of decisions, and the timeliness of appeals decided by the Social Security Tribunal.

The Department's Management Response to the Auditor General's Report on the CPPD program agreed with all of the audit's recommendations. Moreover, to ensure the Canada Pension Plan Disability Program is responsive to the needs of Canadians with severe and prolonged disabilities, the Department advised that a comprehensive renewal of the program had been underway since the summer of 2015.

On April 21, 2016, the Deputy Minister of Employment and Social Development Canada appeared before the Public Accounts Committee to report on progress and answer questions with regards to the Auditor General's report. Several other witnesses appeared at this hearing, including the Auditor General of Canada, and the Chairperson of the Social Security Tribunal of Canada.

At the Standing Committee appearance, the Department confirmed its agreement with all of the Auditor General's recommendations, and tabled a Management Action Plan with specific

commitments to address each recommendation. The Committee was informed that all commitments in the Management Action Plan were on track.

Responding to the Standing Committee on Public Accounts

The Government of Canada is now pleased to respond to the Committee's Thirteenth Report entitled Report 6, Canada Pension Plan Disability Program, of the Fall 2015 Reports of The Auditor General of Canada in the House of Commons, tabled on September 28, 2016.

The Committee's nine recommendations align with the Auditor General's report with regards to improving the application process, the timeliness of decisions, the consistency and quality of decisions, and the timeliness of appeals decided by the Social Security Tribunal.

The Committee's recommendations are also consistent with the Government's commitment to implement transparent service standards and ensure Canadians get timely access to the benefits to which they are entitled. The Government is committed to modernizing the program for Canadians. To that end, as noted above, the Government is undertaking a comprehensive renewal of the program to ensure the program is responsive to the needs of Canadians with severe and prolonged disabilities.

This Government Response responds to each of the Committee's nine recommendations and includes two (2) appendices which provide further details on several initiatives that demonstrate the Government's progress and commitment in addressing the Committee's recommendations. These appendices include: the Canada Pension Plan Service Improvement Strategy: Overview and Improvements to the Canada Pension Plan Disability Program (Appendix A); and the CPPD Quality Assurance Framework for the Canada Pension Plan Disability Benefit (Appendix B).

COMMITTEE RECOMMENDATION 1

That, by 1 December 2016, *Employment and Social Development Canada* provide the House of Commons Standing Committee on Public Accounts with its Canada Pension Plan Service Improvement Strategy, and explain how the Department will streamline and simplify the initial application process for the Canada Pension Plan Disability program.

The recommendation from the Committee is related to:

Auditor General Recommendation 6.33: Streamline and Simplify the Application Process
Employment and Social Development Canada should assess ways to streamline and simplify the initial application process for the Canada Pension Plan Disability program.

The Department's Response to the Auditor General's Recommendation:

Employment and Social Development Canada is committed to ensuring that the Canada Pension Plan Disability (CPPD) program continues to be responsive to the needs of Canadians. To accomplish this, the Department is developing a Canada Pension Plan Service Improvement Strategy, which will include the CPPD program, as part of a broader agenda to modernize its employment and pensions benefit programs. The strategy is a comprehensive, phased plan that is being developed with partners that will transform program delivery to ensure that it is adaptable, innovative, and cost-effective. The long-term vision of the strategy is one of continuous improvement and of maximizing the use of technology, with emphasis on electronic services and automation to simplify processes and increase efficiency. As the Department pursues this modernization agenda, it will incorporate the recommendations of this report to ensure the objectives of the government and the expectations of Canadians are achieved.

PROGRESS TO DATE:

Canada Pension Plan Service Improvement Strategy

The Canada Pension Plan Service Improvement Strategy (CPP SIS) is a comprehensive, phased plan that will transform CPP program delivery to ensure that it is client-focused, adaptable, innovative, and cost-effective. With the CPP SIS, ESDC is taking immediate steps towards implementing targeted service delivery improvements that will ensure the delivery of all CPP benefits and provisions, including the CPPD program, continue to be responsive to the needs of Canadians. The service improvements contained within the CPP SIS focus on implementing electronic services, automation and business process changes to improve client service, simplify processes and increase efficiency.

The CPP SIS will deliver both short term and long-term improvements to the CPP, including CPPD, by the project end-date of September 2019.

The CPP SIS includes specific CPPD objectives:

- develop and implement a streamlined paper application for CPPD clients;
- deliver an automated online application process for CPPD;
- implement a pre-screening process for eligibility based on earnings and contributions, before requesting medical reports from applicants; and
- allow applicants and third parties to provide documentation to the department electronically.

Improving the CPPD Application Process

Four distinct, but interrelated, streams of activity are underway to simplify and streamline the application process.

Terminal Illness and Grave Conditions Applications

The Department launched a pilot in January 2016 to test new ways of expediting the processing of applications made by clients with terminal illnesses and grave conditions. Data gathered from this study was used to inform the development of official service standards for these applications and to identify areas where processes can be improved to expedite decisions. The pilot is being evaluated and process improvements will be implemented as part of the CPP SIS.

Partner with Agencies that have Mutual Clients

Approximately 30 per cent of CPPD clients also receive benefits from private long-term disability insurers. In an effort to reduce the application burden for these clients, the Department has recently launched a pilot initiative to test, with consent of clients, the benefits of using medical information already on file with LTD insurers instead of obtaining a new medical report for the purposes of the CPPD application. This approach, if proven successful, will also avoid the need for medical professionals to complete multiple medical reports for the same individual. This pilot will be concluded and evaluated in early 2018.

Simplify Forms, Guides, and the Intake Processes

A review is being conducted of the existing application forms, guides, and processes to identify how the Department can reduce the burden imposed on clients. Front-line staff has been engaged in identifying improvements since June 2016, with stakeholders and clients to be engaged between October and December 2016. These discussions are focused on gaining a better understanding of the existing challenges facing Canadians in seeking to access the program, and to obtain input on improvements. This 'outside-in' perspective will be used to create a simpler, easier-to-understand paper application, which will be tested with selected applicants in April 2017. Lessons learned from the refinement of the paper application will also help define the requirements for a new online and automated CPPD application process.

Develop and Implement E-services

Planning for the CPP Service Improvement Strategy is on target to implement a range of e-services by 2019. This is described in more detail in Appendix A, *The Canada Pension Plan Service Improvement Strategy: Overview and Improvements to the Canada Pension Plan Disability Program*.

COMMITTEE RECOMMENDATION 2

That *Employment and Social Development Canada* measure and reduce the average total time required for a new applicant to complete an application and receive a decision regarding the Canada Pension Plan Disability benefit, and report its progress to the House of Commons Standing Committee on Public Accounts by 1 April 2017.

PROGRESS TO DATE:

This recommendation touches on two important areas where improvements are needed. The first is that the current application process can be very complex and time consuming to complete. The second part of this recommendation is about how long it takes to receive a decision once the application has been submitted to the Department.

On the first issue, the Government commits to monitoring the experiences of clients with the application process over time, in order to understand if planned improvements are effective at making the application experience less burdensome and time-consuming.

As for the time required to receive a decision once an application is submitted to Service Canada, the response to recommendations 4 and 5 describes new service standards that have been established to ensure Canadians understand how long it will take to have their applications considered.

COMMITTEE RECOMMENDATION 3

That, by 1 December 2016, *Employment and Social Development Canada* provide the House of Commons Standing Committee on Public Accounts with a report explaining how it will regularly seek feedback from applicants and beneficiaries to identify ways to improve access to the Canada Pension Plan Disability program.

The Committee's recommendation is related to:

Auditor General Recommendation 6.34: Seek Regular Feedback

Employment and Social Development Canada should regularly seek feedback from applicants and beneficiaries to identify ways to improve access to the Canada Pension Plan Disability program.

The Department's Response to the Auditor General's Recommendation:

Employment and Social Development Canada recognizes the importance of regularly consulting with applicants and beneficiaries to identify ways to improve the Canada Pension Plan Disability (CPPD) program. The client experience is a fundamental consideration for all program improvements, and the Department is committed to ensuring that Canadians are able to access the program in an easy, secure, timely, and efficient manner. The Department established the CPPD Client Roundtable in 2001. Since its creation, the roundtable has served as a forum for discussion with individuals from the community who have direct experience with the program. Building on our experiences with the roundtable, the Department will reassess the best manner to regularly engage applicants and beneficiaries to identify ways to improve access to the program. The Department will complete this reassessment by March 2016 and implement enhancements by December 2016.

PROGRESS TO DATE:

The Government places a high priority on engaging Canadians in improving the programs and services they rely on. Considerable progress has been made in engaging Canadians in the critical work of renewing the CPPD Program.

The Department began its efforts to make the Program more open and transparent by reviewing its past work with the CPPD Client Roundtable, a long standing consultative body that provided feedback on policy and program improvements. Best practices in other programs and jurisdictions, particularly those that sought input from persons with disabilities, were also reviewed to inform a renewed approach to seeking ongoing feedback.

An initial client and stakeholder engagement event was held in Ottawa on February 17, 2016, two weeks after the Auditor General released his report on CPPD. This event, attended by the Honourable Jean-Yves Duclos, Minister of Families, Children and Social Development, sought stakeholders' perspectives on the CPPD program, the Auditor General's recommendations and

the Department's responses, and how best to engage clients and stakeholders on an ongoing basis.

Based on the advice given at this event, a renewed CPPD Client and Stakeholder Roundtable has been established. There are 22 members on the Roundtable, representing a wide diversity of experiences and interests in the Program. Members include recipients of the CPPD benefit, representatives from community-based support services, doctors, return to work experts, insurers and employers. Combined, they offer years of experience and insight into the many challenges and opportunities for CPPD, and are committed to help shape the future of the program.

Two meetings have already been held with the Roundtable. The first meeting was held on June 21, 2016, with a focus on CPPD service standards. As described in the response to the Committee's fourth and fifth recommendations, the input received at this meeting helped inform new service standards, which were implemented in October 2016.

A second Roundtable meeting was held November 1-2, 2016, where the focus was on the application process and related issues of access to the CPPD program. The input received at this meeting will be used improve the application process as described under recommendation 1. The Roundtable will continue to meet on a regular basis to provide ongoing feedback on the CPPD program.

To complement the work of the Roundtable there are several other methods of engagement planned to obtain ongoing feedback on CPPD. Focus groups will be used to test new forms and application processes, beginning this winter. Surveys will be used to assess the client experience and discussions will be held with both stakeholders and program delivery staff to explore various issues in depth. These activities and outcomes will inform the delivery of the CPPD program to Canadians on an ongoing basis.

COMMITTEE RECOMMENDATION 4

That, by 1 December 2016, *Employment and Social Development Canada* provide the House of Commons Standing Committee on Public Accounts with its plan for the implementation of the new Canada Pension Plan Disability service standards.

COMMITTEE RECOMMENDATION 5

That, by 1 December 2016, *Employment and Social Development Canada* provide the House of Commons Standing Committee on Public Accounts with its plan for the implementation of the new Canada Pension Plan Disability service standards for individuals with terminal illnesses or grave conditions.

The Committee's recommendations are related to:

Auditor General Recommendation 6.51: Review Service Standards

Employment and Social Development Canada should review its Canada Pension Plan Disability service standards for initial and reconsideration decisions to determine whether they are appropriate.

The Department's Response to the Auditor General's Recommendation:

As part of ongoing efforts to manage the delivery of its pension programs, Employment and Social Development Canada is undertaking a review of its service standards, including all elements related to the delivery of the Canada Pension Plan Disability program. The Department completed the review and developed an implementation in March 2016.

Auditor General's Recommendation 6.55: Service Standards for Terminal Illnesses and Grave Conditions

Employment and Social Development Canada should establish specific service standards for processing Canada Pension Plan Disability applications from applicants with terminal illnesses or grave conditions. The Department should also measure and report on its performance in meeting the standards.

The Department's Response to the Auditor General's Recommendation:

The review of pension program service standards will include the identification of options for service standards for applications made by applicants with terminal illnesses or grave conditions. Employment and Social Development Canada will complete the review of the service standards and develop an implementation plan, which will include mechanisms for monitoring and reporting on these standards by March 2016.

PROGRESS TO DATE:

A key priority for the Government is establishing and reporting on transparent service standards for Canadians when they apply to programs such as CPPD.

Aligned to this commitment, effective October 2016, the Department has strengthened its service standards for applicants for the CPP Disability benefit and CPP Disability benefit reconsiderations, and also implemented new service standards for applicants with terminal illness and grave medical conditions. Together, the revised service standards and monitoring improvements represent a significant commitment to enhance the service delivery and operations of CPPD.

The revised and new service standards were developed following a comprehensive review of CPPD service standards that was completed in March 2016. The review went beyond establishing revised service standards, and examined other service delivery considerations. These other service delivery considerations included reviewing the need for additional performance measures that monitor, evaluate and manage client service delivery and operations from start to finish, as well as changes related to client communication, operations, and the need to review service standards on an ongoing basis.

Prior to finalizing the recommendations from the review, the Department recognized the importance of consulting with clients and stakeholders. As described in the response to the Committee's third recommendation, the Department sought feedback on the proposed new service standards at the June 21, 2016 meeting of the CPPD Client and Stakeholder Roundtable. Overall, participants supported the proposed service standards, including the 5 day service standard for terminally ill applicants. They also noted the implementation of these service standards would improve service delivery for CPPD clients. The Department took the feedback from Roundtable participants into account when it finalized the new CPPD service standards.

Going forward, the Department has strengthened its existing service standards with regards to decisions related to initial applications and reconsideration requests, by implementing enhanced operational targets which will improve the client experience of the program applicants. These enhancements are as follows:

- The service standard for initial decisions within 120 calendar days of receiving a complete application will remain. The target to achieve this, however, was increased from 75% to 80% of the time, meaning that more Canadians will receive a decision in the time frame indicated.
- The service standard for CPPD reconsideration decisions, which are made within 120 calendar days of receiving a reconsideration request, will remain. However, a new target to achieve this service has been set at 80% of the time (an increase from 70%), meaning that more Canadians will receive a decision within the time frame indicated.

At the same time, the Department has implemented new service standards that recognize the unique circumstances of applicants with terminal illnesses and grave conditions, as well as operational targets. These are new public commitments, including:

- CPPD decisions for terminally ill applicants will be made within 5 business days of receiving a complete application, with the target of achieving this 95% of the time.
- CPPD decisions for applicants with grave conditions will be made within 30 days of receiving a complete application, with the target of achieving this 80% of the time.

The work on developing and implementing new service standards supports Minister Duclos' mandate commitment to set transparent service standards so that Canadians get timely access to the benefits to which they are entitled. To support transparency, the Department will report on the CPPD service standards and performance measures annually through the Canada.ca website, in the Departmental Performance Report, as well as in the CPP annual report. The Department is also exploring opportunities to report outcomes on a more frequent basis. The Department will review the new CPPD service standards and performance measures for the first 3 years and every 2 years thereafter.

COMMITTEE RECOMMENDATION 6

That, by 1 December 2016, *Employment and Social Development Canada* provide the House of Commons Standing Committee on Public Accounts with its plan to improve the Canada Pension Plan Disability program's data quality.

The Committee's recommendation is related to:

Auditor General Recommendation 6.57: Collect and Capture Data

Employment and Social Development Canada and the Social Security Tribunal of Canada, supported by the Administrative Tribunals Support Service of Canada, should collect and accurately capture robust data to allow better monitoring of the Canada Pension Plan Disability program and accurate reporting of results.

The Department's Response to the Auditor General Recommendation:

Employment and Social Development Canada will continue ongoing efforts to improve the quality of its data. As part of the Canada Pension Plan Service Improvement Strategy, the Department will identify and analyze data issues, and develop a plan to implement solutions. The plan to improve Canada Pension Plan Disability (CPPD) data quality will detail specific measures and system enhancements that will be pursued in order to provide timely, reliable, and comprehensive data to support the CPPD program. The Department will develop this plan by June 2016.

PROGRESS TO DATE:

Recognizing the critical importance of good data to proper program oversight, the Department has made improving the capture of robust data a key priority of the Canada Pension Plan Service Improvement Strategy (CPP SIS). This will enhance the ability to meet service standards, ensure consistency, and identify where improvements to program delivery can be made.

By 2019-2020, the CPP SIS will: improve client service by delivering user-friendly online services; improve the ability to collect and accurately capture robust, timely and reliable data to analyze and report on program performance by implementing processing system enhancements to maximize automation; and contribute to integrity and risk management capabilities and long-term CPP program sustainability. More information is included in Appendix A, *The Canada Pension Plan Service Improvement Strategy: Overview and Improvements to the Canada Pension Plan Disability Program*.

In addition to CPP SIS, the Department continues to improve the quality of its data through ongoing analysis and enhancement of the various systems and reports used to deliver CPPD. A new data collection and reporting tool was implemented in May 2016 to improve monitoring and workload management to support the Department's involvement in the SST Appeals process. Improvements were also implemented in May 2016 that synchronized and integrated

different data delivery systems, to reduce data errors and increase processing efficiency. The analysis of various CPPD generated data and reports has also resulted in the implementation of strengthened data collection and reporting which improves the collection, management and monitoring of program data and is being used to inform CPPD workload management.

COMMITTEE RECOMMENDATION 7

That, by 1 December 2016, *Employment and Social Development Canada* provide the House of Commons Standing Committee on Public Accounts with a progress report summarizing the key features of its Canada Pension Plan Disability Quality Assurance Framework. This report should also explain how this framework will allow the Department to assess whether its medical adjudications are appropriate and consistent.

The Committee's recommendation is related to:

Auditor General Recommendation 6.69: Formal Quality Assurance Framework

Employment and Social Development Canada should implement a formal quality assurance framework for the Canada Pension Plan Disability program to review whether its medical adjudications are appropriate and consistent. This framework should include a process to inform medical adjudicators of the reasons why their decisions were overturned, and to support Department officials' efforts to improve processing procedures and provide training to adjudicators.

The Department's Response to the Auditor General Recommendation:

Employment and Social Development Canada considers high-quality program delivery a priority. Building on work undertaken to date, the Department will continue to develop and implement a robust Canada Pension Plan Disability (CPPD) Quality Assurance Framework to support continuous improvement and consistency in decision making. This framework will guide the integration of quality into all aspects of program delivery and policy development, and will include mechanisms to identify opportunities to enhance business processes and develop clear guidance and training. It will also include an effective feedback mechanism for medical adjudicators to understand why their decisions were overturned or upheld by decision makers at reconsideration or appeal. The Department will finalize the CPPD Quality Assurance Framework in March 2016, and begin its phased implementation in April 2016.

PROGRESS TO DATE:

To ensure Canadians receive appropriate and consistent decisions, the Department completed a Quality Assurance Framework in March 2016 and immediately began its phased implementation. The Framework identifies the governance, quality assurance measures, and continuous improvement mechanisms that together provide a systematic and comprehensive basis for monitoring the Program. Please see Appendix B, *Quality Assurance Framework for the Canada Pension Plan Disability Benefit*.

To address the most critical need identified by the Auditor General, a new tool is being developed to determine whether medical adjudication decisions are reasonable, appropriate, and consistent. The tool will assess the degree to which decisions are based on sound evidence that aligns with legislation, regulations, jurisprudence and policies. A structured approach will

be used to ensure consistency in how quality is assessed, focused on issues such as the quality of evidence gathered to support the decision, the quality of the analysis performed by the adjudicator, and the clarity of the decision itself. Significant progress has been made developing the tool, and implementation will begin in spring 2017.

Using this tool, the Department will gain new insights into how medical decisions are made, such as how various pieces of evidence are weighed and which medical conditions are particularly challenging to adjudicate. These lessons learned will be used in two ways. First, overall trends in adjudication will inform ongoing improvements to the policies and procedures provided to all medical adjudicators. Second, the results will be used to enhance feedback provided to individual adjudicators. This kind of individual feedback is critical to maintaining appropriate and consistent decisions, and efforts are already underway to improve and standardize feedback to both medical and non-medical staff involved in the adjudication process.

A Quality Management System is also under development to further streamline, automate, and standardize quality assurance reviews. Once fully implemented, this system will lead to significant reduction in manual tasks associated with quality reviews, standardize processes across programs, and improve access to business intelligence.

COMMITTEE RECOMMENDATION 8

That, for each fiscal year, beginning with 2015–2016, the *Social Security Tribunal of Canada* report publicly on its performance in meeting its Canada Pension Plan Disability service standards.

The Committee's recommendation is related to:

Auditor General Recommendation 6.101: The Social Security Tribunal

The Social Security Tribunal of Canada, supported by the Administrative Tribunals Support Service of Canada, should review its policies and practices to ensure that they adhere to the intent of the *Social Security Tribunal Regulations*, to ensure the most expeditious appeal decisions.

The Tribunal's Response to the Auditor General Recommendation:

Since its first day of operations, and notwithstanding the numerous challenges resulting from the lack of preparedness it faced at inception, the Social Security Tribunal of Canada has processed and decided CPPD appeals, incoming and those inherited from the Office of the Commissioner of Review Tribunals, as efficiently and expeditiously as the circumstances allowed, while respecting the legislation, the regulations, and the rules of natural justice. The Tribunal expects its Canada Pension Plan Disability (CPPD) caseload to reach a steady state later this year. This will allow the Tribunal to implement its service standards of completing 85 percent of CPPD appeals within five months of when both parties are ready to proceed. Furthermore, the Tribunal, supported by the Administrative Tribunals Support Service of Canada, will continue to:

- develop practices and policies that respect the legislation and regulations and that adhere to their intent;
- review and improve its operational processes;
- implement quality control mechanisms for registry operations;
- further develop its case management system and improve the quality of statistics;
- improve its website to better inform parties and potential appellants of the Tribunal's processes and procedures; and
- listen to its stakeholders to improve the quality of its services.

PROGRESS TO DATE:

In April 2015, the Tribunal announced that it would implement the following service standard when the Income Security caseload became more manageable: 85% of cases will be decided within 5 months of the appeal becoming ready to proceed.

This service standard was developed based on an operational review conducted a year after the Tribunal's inception and information available at the time such as the Tribunal's capacity in terms of both members and staff, the caseload, the evolving state of its operational systems, the current legislation and regulations and the Tribunal's experience to date.

On December 1, 2015, the Tribunal implemented its new service standard for all new cases received by the General Division Income Security Section as the vast majority of the inherited backlog had been completed and the caseload was down to a more manageable level.

As per the regulations, parties to General Division - Income Security appeals are subject to a notice of readiness process by which parties have up to 365 days, after the appeal is filed, to send additional documents or submissions or file a notice that they have no more documents to file. Under this process, the Tribunal assigns the appeal to a member as soon as all parties indicate that their case is complete and ready to proceed.

The Tribunal is currently on target to meet its new service standard. As the Tribunal's standard was formally implemented during 2015-16, annual reporting will start for 2016-17.

COMMITTEE RECOMMENDATION 9

That, by 1 December 2016, *Employment and Social Development Canada* provide the House of Commons Standing Committee on Public Accounts with a report explaining how it used the lessons learned from its analysis of the triage review to modify its policies and processes to ensure that the benefit is granted earlier to eligible applicants.

The Committee's recommendation is related to:

Auditor General Recommendation 6.112: Analyze Results of Triage

Employment and Social Development Canada (the Department) should analyze the results of its triage review to identify ways to modify its policies and processes to ensure that the benefit is granted earlier to eligible applicants. The Department should also consider the lessons learned in developing a quality assurance framework, to ensure that its decisions are appropriate and consistent.

The Department's Response to the Auditor General Recommendation:

Employment and Social Development Canada has already initiated analysis of the triage review findings. Based on the results of this analysis, the Department will develop a strategy to leverage the findings to determine greater efficiencies and enhance policies and processes. In addition, as part of this strategy, the Department will consider the lessons learned from the triage review when developing its Canada Pension Plan Disability (CPPD) Quality Assurance Framework. The Department will complete the analysis of the triage review findings in order to support the development of the CPPD Quality Assurance Framework by March 2016.

PROGRESS TO DATE:

As discussed in the Auditor General's report, when the Social Security Tribunal (SST) began operations in 2013 it inherited a large backlog of files from earlier Tribunals. To assist the SST in reducing this backlog the Department agreed to examine each of the files awaiting a hearing before the SST to identify where they could be resolved without a hearing. This triage review provided the Department with an opportunity to examine trends among these files and identify areas of the decision making process that could be improved.

The Department completed the analysis of the triage review in December 2015. A number of findings emerged from the way medical information was both collected and used. First, there were differences in the amount of medical information requested by the Department from applicants or their physicians when clarification was required. Secondly, the review found there can be differences in the way medical opinions of physicians are weighed compared to diagnostic test results. The review also found that consideration of personal characteristics (i.e., age, education, work and life experience, and language proficiency), as required by a 2001 Federal Court of Appeal decision, *Villani v. Canada (Attorney General)*, 2001 FCA 248, was not

consistently documented in the decisions related to some applications. Finally, appellants with chronic pain accounted for many of the files in the triage review, suggesting that chronic pain conditions are complex to adjudicate.

The findings from the triage review were useful beyond the immediate goal of reducing the backlog, and were shared broadly with those involved in managing and delivering the program. The input collected from these discussions has been incorporated into the Department's strategy to renew the program.

The triage review findings are currently being used to inform the following CPPD renewal initiatives:

Informing the CPPD Quality Assurance Framework

The Department has incorporated elements of the triage review findings in the development of quality assurance activities, feedback mechanisms, and business intelligence. The Medical Adjudication Quality Assurance Tool, a component of the Quality Assurance Framework, will gather evidence on the medical aspect of CPPD adjudication. This will provide valuable business intelligence that will inform policies and procedures to track and improve the consistency and appropriateness of medical adjudication.

Strengthening the Decision-making Process

The analysis of the triage review findings, along with other lines of evidence, highlighted areas within the medical adjudication process that required attention. This analysis has since informed the work currently in progress to revise the operational policies and procedures, including with regards to consideration of personal characteristics, consideration of multiple medical conditions, and assessing work capacity.

Updating Medical Reference Guides

The triage review findings indicated a large number of files before the SST consisted of applicants suffering from chronic pain. Updated medical reference guides are in development on Fibromyalgia, Episodic Mood Disorders and Chronic Pain Syndrome. These enhanced adjudication medical reference materials will be used by medical adjudicators to guide and inform their decision-making at the initial and reconsideration phases based on sound and up-to-date information.

Improving the Information Gathering Process

The triage review and the Auditor General both noted differences in how processing centres sought additional information from CPPD applicants. Clear guidance is being developed to increase the consistency of efforts to seek additional information during the different stages of the adjudication process.

The triage review findings themselves continue to inform the development and implementation of the CPPD Quality Assurance Framework, updates to the policies and procedures in the Adjudication Framework, the creation of medical references guides, and clearer guidance on seeking additional information from applicants.

Conclusion

The Government of Canada continues to make improvements to CPPD, and is committed to the comprehensive renewal of this important program to better serve the needs of the vulnerable Canadians who depend upon it. The implementation of the renewed program through the Canada Pension Plan Service Improvement Strategy has begun and will continue through 2019. The Government looks forward to future opportunities to update Parliament on its efforts to renew CPPD.

THE CANADA PENSION PLAN SERVICE IMPROVEMENT STRATEGY: OVERVIEW AND IMPROVEMENTS TO THE CANADA PENSION PLAN DISABILITY PROGRAM

1. Background

Recommendation 1 of the September 2016 Report of the Standing Committee on Public Accounts stated the following:

That, by December 2016, *Employment and Social Development Canada* provide the House of Commons Standing Committee on Public Accounts with its Canada Pension Plan Service Strategy, and explain how the Department will streamline and simplify the initial application process for the Canada Pension Plan Disability program.

This report is being provided in response to this recommendation. It provides an overview of the Canada Pension Plan Service Strategy (CPP SIS) and how the CPP SIS will streamline and simplify the initial application process for the Canada Pension Plan Disability (CPPD) as part of a series of service improvements targeting the CPP program as a whole.

The CPP SIS will deliver both short term and long-term improvements to the CPPD application process, all of which will be completed by the CPP SIS project end-date of September 2019. By April 2017, a streamlined and simplified CPPD application form will be developed in paper format for piloting. By the project end-date the CPP SIS will have implemented an automated electronic form for CPPD benefits that Canadians can submit online.

In addition, the CPP SIS will also bring significant improvements to the CPPD initial application process by implementing:

- an on-line self-serve pre-screening tool to allow CPPD applicants to confirm earnings eligibility before requesting medical reports,
- enabling applicants and third parties to provide documentation to the department electronically; and
- implementing improved client contact processes to engage clients throughout their application process and to bring more transparency to decision-making.

2. The Canada Pension Plan Service Improvement Strategy (CPP SIS): Overview

The CPP SIS is a comprehensive, phased plan that will transform CPP program delivery to ensure that it is client-focused, adaptable, innovative, and cost-effective. With the CPP SIS, ESDC is taking immediate steps towards implementing targeted service delivery improvements that will ensure the delivery of all CPP benefits and provisions, including the CPPD program, continues to be responsive to the needs of Canadians. The service improvements contained within the CPP SIS focus on implementing electronic services, automation and business process

changes to improve client service, simplify processes and increase efficiency. Implementation will be completed by September 2019.

The CPP SIS service improvements are grouped under the following objectives:

A. Excellence in Client Service: overall improvement of service experience to Canadians as a result of delivering user-friendly electronic services through the online channel.

Key improvements include expanding, promoting or making available new and streamlined online applications and requests for the:

- CPP death benefits;
- CPP survivor benefits;
- child rearing provision;
- voluntary tax withhold;
- foreign benefit requests;
- credit splitting; and
- pension sharing.

Specific work is also being done with the Canada Revenue Agency to look at increasing collaboration opportunities to improve client service for the CPP programs and their recipients. CPPD-specific key improvements include:

An online self-serve Disability pre-screening process: The CPP SIS will implement a self-serve, secure, online application process for the CPP Disability benefit that pre-screens applicants to establish contributory eligibility prior to requesting medical documentation.

Third-party portal: The CPP SIS will create a secure online portal to allow authenticated applicants and third-parties, such as insurers and medical practitioners, to provide documentation to the department electronically.

B. Excellence in Performance and Results: improvement of performance and results, especially for high priority work, and being accountable for these results through strengthened service standards.

Key improvements include implementing processing system enhancements to maximize automation opportunities and reduce high-touch work.

CPPD-specific key improvements include:

Standardize and streamline CPP Disability application processes: The CPP SIS will pilot a streamlined and simplified initial application in paper format in April 2017. By September 2019, the CPP SIS will implement an automated online initial application as part of its suite of e-services.

A prototype approach will be used to design the streamlined and simplified forms and processes to support the CPPD application process. This approach places citizens at the centre of design by focusing on the end-users, their motivations, and their needs. Prototype development will be guided by three basic principles:

- Canadians should have access to an application process that responds to their known needs and preferences;
- Canadians should have access to an application that is easy to understand and use, with clear language that explains what is required and why; and
- Canadians should not have to provide information the Department already holds (or could receive from another agency/department/source if the appropriate agreements are in place);

Enhanced communication with clients: The CPP SIS is developing processes to improve communications with clients during the application process and to assist in ensuring all relevant information has been obtained to process CPPD applications. This approach will improve transparency of decision making and create more opportunities for affected parties to provide input before a decision is made. A pilot to test these new approaches was launched in Nova Scotia in May 2016. Early findings have been positive and the targeted communications training provided as part of pilot is now being implemented nationally.

Terminally and gravely ill applications: The CPP SIS is identifying areas where processes can be improved and will implement improvements to expedite decisions. In an effort to expedite the process for clients who have been diagnosed with a terminal illness or a grave condition, a pilot was launched in January 2016 to better identify these cases at the time of application and to test a model where a decision could be made more quickly. Early results from the pilot have been positive and the pilot evaluation will be completed in November 2016.

Long Term Disability Insurers: The Department, under the CPP SIS project, is also working with agencies that have mutual clients, to leverage information already provided for other purposes. In particular, the Department launched a pilot on October 11, 2016 with seven private long-term disability insurers to test leverage the medical information they have obtained, instead of having the client obtain another medical report for CPPD purposes. This pilot will test whether or not the approximately 30 per cent of CPPD clients who also receive benefits from private long-term disability insurers, would benefit from a reduction in evidentiary burden – a burden which is currently experienced by both the client and medical professionals who complete multiple medical certificates for the same individual for multiple purposes. This study will be concluded and evaluated in early 2018.

- C. Excellence in Program Stewardship:** consists of contributing to long-term CPP program sustainability through reductions in operating costs and/or cost avoidance, and through contributing to integrity and risk management capabilities.

Key improvements include:

- enhancing integrity measures related to the Service Canada Personal Access Code issued to CPP and Old Age Security clients;
- enhancing audit and control of internal systems to support CPP processing;
- implementation of an electronic tool to serve as an integrated single repository for all functional direction material for the pensions programs; and
- development and testing of the use of predictive analytics models to further support program simplification and automation.

CPPD-specific key improvements include assessing areas of CPP and CPP Disability business processes where predictive analytics models and risk-based processing could be leveraged. Work will also be completed to develop and implement an automated CPP Disability Adjudication template, which will standardize the quality of documentation related to decisions made by medical adjudicators for CPPD files.

3. Final Remarks

With the implementation of the CPP SIS the Department is demonstrating its commitment to streamlining and simplifying the CPPD application process, using a client-centred approach. This will be achieved through a suite of improvements whose cumulative effect will be a transformed and modernized experience for CPPD applicants.

QUALITY ASSURANCE FRAMEWORK FOR THE CANADA PENSION PLAN DISABILITY BENEFIT

Introduction

A quality assurance framework¹ for the Canada Pension Plan Disability (CPPD) Program supports a systematic, holistic approach to quality. Embedding quality in policy and program design and delivery ensures that it becomes a way of doing things rather than a separate function. Quality assurance initiatives need to provide for the collection of program and individual performance information, and the creation of feedback loops to ensure the continuous improvement of the CPPD program. Ultimately, a quality assurance framework will ensure program alignment with policy and guidelines, and use outcomes to support service excellence to clients.

In 2015, the Auditor General of Canada conducted a performance audit of the CPPD program. In his 2016 Auditor General report to parliament, he identified areas of weakness regarding the delivery of CPPD benefits. The report highlighted the need for and recommended that a quality assurance framework be implemented to ensure the adjudication of applications are appropriate, consistent and timely. This framework seeks to address the recommendations in the audit report regarding the development and implementation of a formal quality assurance framework.

The following document presents an overview of the CPPD program and application processing stages, and the desired outcome for the CPPD quality assurance framework. The document also presents the key elements of the framework, including an overview of CPPD program and quality assurance governance, an assessment of existing quality assurance measurements, business intelligence, and continuous improvement feedback mechanisms, and areas where improvement would be needed. The document also presents potential future CPPD quality assurance activities for consideration.

1 The CPPD Program

CPP Disability is the disability component of the Canada Pension Plan (CPP) which was established in 1966. CPP, and the CPPD, operates in nine provinces and the territories while the Quebec Pension Plan (QPP), a parallel plan, operates in Quebec. CPPD provides partial earnings replacement, in the form of a monthly taxable benefit, to eligible individuals (under age 65) who are unable to work due to a severe and prolonged disability (as defined in the CPP legislation). The amount of the monthly disability benefit payable includes a flat-rate portion

¹ For the purpose of this document, a quality assurance framework is a formal document that sets out the governance structure, quality assurance measurements and business intelligence, as well as the continuous improvement mechanisms that need to be in place for consistent and effective program design and delivery.

and an amount based on earnings. A benefit is also available for eligible dependent children of CPPD beneficiaries.

CPPD is Canada's largest public disability insurance program. CPPD is funded by obligatory contributions on earnings of employees, employers and the self-employed, as well as the return on investment of contributions. Currently, the contribution rate is 9.9% (4.95% from employers and 4.95% from employees). CPP disability functions much like an insurance policy in that sharing the risk across a large pool of contributors reduces the burden if a contributor is unable to work.

Currently there are more than 330,000 Canadians receiving a CPP disability benefit and about 75% of them are over fifty years of age. Men and women are equally represented. To be eligible for CPPD pension, applicants must meet both contributory (applicants must have recent and significant attachment to workforce) and medical requirements:

Contributory requirements:

- Earned a specified minimum amount and contributed to the CPP while working for a minimum number of years; and
- Contributed to the CPP in four of the last six years at or above the minimum level of earnings or in three of the last six years if contributed at or above the minimum level of earnings for at least 25 years.

Medical requirements:²

- Severe and prolonged disability³. Severe means a mental or physical disability that regularly stops an individual from doing any type of substantially gainful work. Prolonged means that the disability is likely to be long-term and last indefinitely or is likely to result in death.

CPPD is a part of the broader suite of income support programs available for persons with disabilities, such as Employment Insurance Sickness benefits, the Disability Tax Credit, provincial social assistance, workers compensation programs, and private long-term disability insurance. The CPPD is generally viewed as the "first payer" by most private long-term disability insurance plans, which means that other insurance plans may take CPPD pension into account when calculating a claimant's entitlement to benefits but not the other way around.

² CPP has a late application provision to allow for the consideration of a disability that was both severe and prolonged and has been continuous since the applicant made enough contributions to the CPP to qualify.

³ As per CPP legislation Subsection 42 (2) (*Canada Pension Plan (R.S.C., 1985, c. C-8)*), "A person shall be considered to be disabled only if he is determined in prescribed manner to have a severe and prolonged mental or physical disability...; a disability is severe only if by reason thereof the person in respect of whom the determination is made is incapable regularly of pursuing any substantially gainful occupation; and...is prolonged only if it is determined in a prescribed manner that the disability is likely to be long continued and of indefinite duration or is likely to result in death..."

To support CPPD adjudication, the department is responsible for developing policies, procedures, applications and tools, and ensuring that processing employees and medical adjudicators are properly trained for CPPD benefit delivery decision-making.

Canada Pension Plan Disability is a complex program involving many government Departments and players. Employment and Social Development Canada (ESDC), via the Income Security and Social Development Branch (ISSDB), is responsible for CPPD oversight and program policy; while Service Canada is responsible for benefit delivery. In addition, the Canada Revenue Agency collects contributions from CPP contributors; Finance leads the Triennial Review, and CPPD stewardship is shared between federal and provincial governments.

1.1 CPPD Application Processing Stages

1. Informing the public / client
2. Application Receipt
3. Adjudication (Non-Medical/Medical)
4. Decisions letters (Approval/Deny)
5. Reconsideration Requests
6. Appeals to the SST
7. Payment Authorization
8. Reassessment
9. Vocational Rehabilitation

2 The Quality Assurance Framework for the CPPD Program

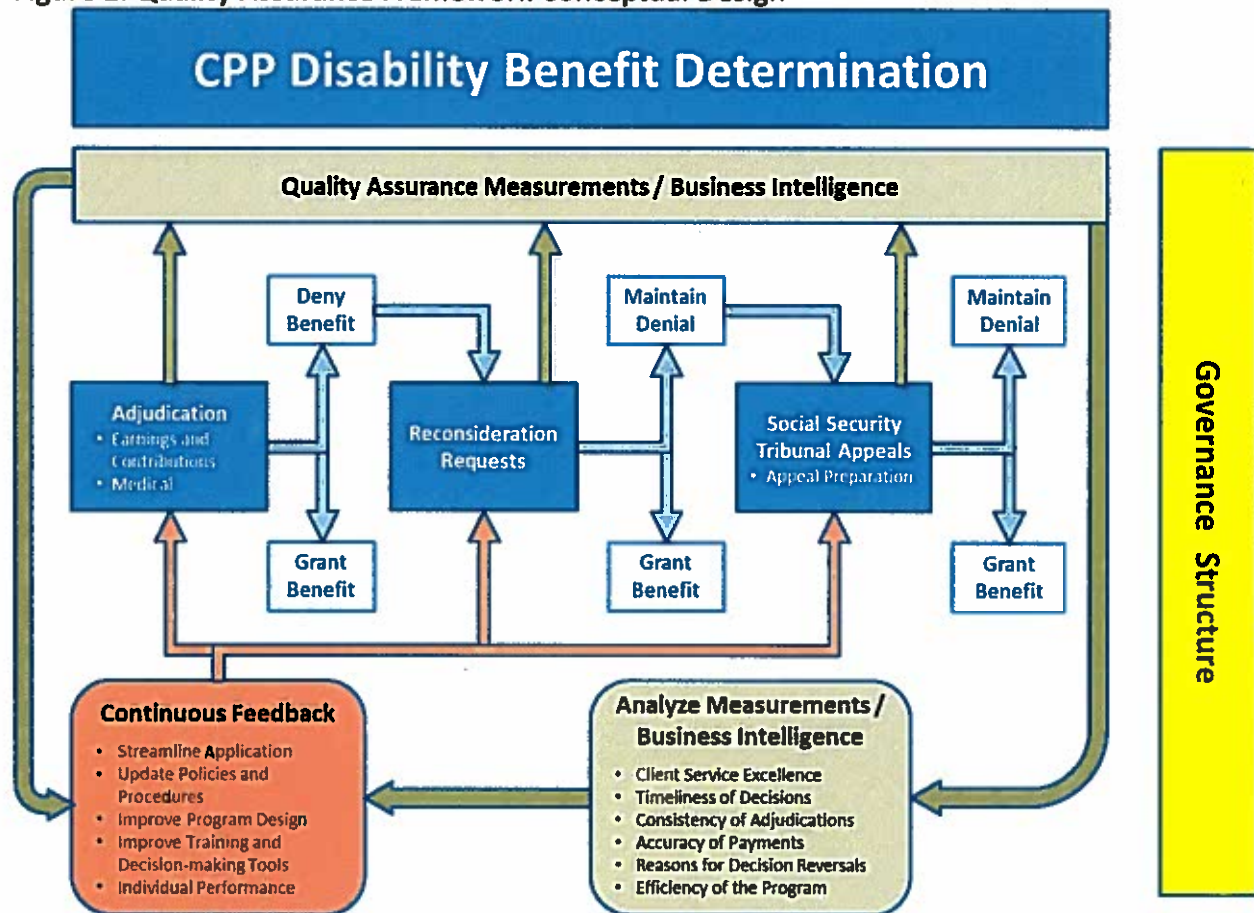
The purpose of the CPPD quality assurance framework is to facilitate the best possible decision at the earliest point in the application process and to ensure that disability adjudication decisions are consistent, accurate, timely, and sustainable. This framework will strengthen and maintain the adjudication process nationally in order to:

- help ensure that all those eligible have access to CPPD benefits;
- facilitate evidence-based, objective decisions to grant benefits as early as possible in the application process;
- identify the nature and extent of the consistency, accuracy, timeliness and sustainability of decisions in the CPP Disability adjudication process;
- ensure the ongoing accuracy of processing (i.e., compliance to policy and procedures) and payments;
- ensure policies, program delivery and training keep pace with legislation, regulations and jurisprudence;
- identify national program and policy enhancements to promote a cycle of continuous improvement; and
- improve the effectiveness and efficiency of interactions with physicians and third party payers serving mutual clients.

2.1 The Quality Assurance Framework Conceptual Design

The following conceptual design was developed to describe where quality assurance measurements/business intelligence would be collected, analyzed and used to improve the CPPD program and individual performances through continuous feedback mechanisms that would be put in place to ensure appropriate, consistent and timely CPPD benefit decision-making.

Figure 1: Quality Assurance Framework Conceptual Design



2.2 Desired Outcomes for the Quality Assurance Framework

Implementation of the CPPD quality assurance framework is expected to yield the following results:

1. Sound Stewardship, Appropriateness and Program Integrity

- Strengthened program accountability and integrity from improved oversight of the CPP Disability adjudication process. Achieved through the use of quality measurement tools that assess accuracy, appropriateness, and consistency in decision-making, equity and timeliness of the adjudication process.

2. Continuous Improvements / Improved Adjudication Supports

- Informed decision-making nationally and through time, more responsive policy analysis, a continuous feedback loop and the necessary quality assurance to deal with intra-regional and inter-regional consistency in adjudication.
- Business intelligence used to not only strengthen individual employee's decision-making capacity, for example by ensuring that their training is appropriate and effective, but also to improve the guidance and tools they rely upon.

3. Improved Transparency and Client Satisfaction

- Increased transparency from quality data, measures and targets that facilitate reporting of quality issues and improvements.
- A more visible CPPD decision-making process that increases the program's credibility and clients' perception of its capacity to make more accurate and timely decisions and its intention to treat program applicants fairly and consistently.

2.3 The Key Elements of the Quality Assurance Framework

In order for the quality assurance framework to achieve the desired outcomes outlined above, it sets out and enables three essential elements: governance, quality assurance measurements and business intelligence, and continuous improvement feedback mechanisms.

1. CPPD program and quality assurance governance

- A clearly defined governance structure for the CPPD program and for quality assurance of the program. This includes identifying who is responsible and/or accountable for all aspects of the program design and delivery, and in particular for ensuring quality. Governance of key policies, procedures, applications, training and tools that are needed to support processing employees and medical adjudicators involved in the delivery of CPPD benefits is also required.

2. Quality assurance measurements and business intelligence

- To achieve the desired outcomes of this framework, quality assurance measurements and business intelligence are analyzed to measure and assess all aspects of CPPD program delivery including accuracy, appropriateness, consistency, timeliness, sustainability and client satisfaction. The key purposes are to ensure and verify that the CPPD program is delivered in accordance with legislation, policies and procedures, to minimize errors and mis-payments, and to assess the performance of employees involved in the processing of CPPD applications. Quality assurance measurements and business intelligence currently collected are documented and key areas where improvements are needed are identified to ensure continuous improvement of the CPPD program.

3. Continuous improvement feedback mechanisms

- Feedback mechanisms are an essential component of a Quality Assurance Framework to ensure that measures, business intelligence and performance indicators are used to continuously improve policy and program design, the delivery of CPPD benefits, and ensure alignment with program legislation and regulations. Feedback mechanisms can also ensure that business intelligence is applied to not only strengthen individual employee's decision-making capacity, for example by

ensuring that their training is appropriate and effective, but also to improve the guidance and tools they rely upon.

The elements of the CPPD quality assurance framework should be evaluated cyclically to ensure that they remain relevant and effective over time, and aligned with CPPD program modernization.