



**REPORT OF THE  
FUNDING WORK GROUP (Ad-Hoc)  
JULY 9, 2009**

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## **EXECUTIVE SUMMARY**

In September, 2007, the Provincial Network struck a Funding Work Group to review options and recommend various elements and processes for achieving a more individualized and direct funding approach within the context of the Ministry's transformation agenda for Developmental Services in Ontario. With new options for direct funding introduced through changes to Developmental Services embraced within legislation, the need for solutions that might assist the field in adjusting to this shift was seen as critical to the future of Developmental Services in Ontario.

Since that time a representative membership group reflective of each regional area within the province, has worked in consultation with the field to identify guiding principles, conduct a jurisdictional review, identify key features of a funding formula and address issues of applicability, portability and transition to a new funding approach. Those guiding principles addressed the importance of inclusion, choice, accountability, innovation, investment, equity, sustainability and fairness. The jurisdictional review pointed to some fundamental features, lessons learned from prior efforts as well as some promising practices with regard to direct and individualized approaches that are noteworthy of consideration. However; the Work Group found that no other jurisdiction provided a template or total solution that could be simply transferred to address Ontario's unique needs.

The following Costing Model (see page 4) provides the basis for a hybrid approach to funding Developmental Services that would see the existing 24 hour residential services and related care sustained through current service contracts for the time being while a number of day, certain respite and other residential options move toward a more individualized and potentially direct funding approach.

The Work Group has identified a number of additional components to any transformed funding approach that establishes the need for designated provincial funds to address person centred/directed planning; innovation/community development; specialized/clinical services; Adult Protective Services Worker (APSW)/case management; staff recruitment and retention; single information systems; as well as research and evaluation.

The Work Group strongly advises that the Ministry take a carefully phased and piloted approach to implementing any change to Ontario's funding approach over a 3 to 5 year period. Agencies should not realize financial hardship and recipients of services from agencies should not realize a reduction of services as the result of an individualized funding approach being implemented.

## COSTING MODEL

### APPLICABILITY

#### To residential and non residential services in:

- Supported Independent Living (8846)
- Associate Home Living (8845)
- In Home Respite (8855)
- Out of Home Respite (8856)
- Community Access Supports Like Day Activities (8860)
- Employment Supports (8868)
- Individualized Funding
- Individualized Residential Model

**Excludes 24 hour group home and related care**

### BASE RATE\* (hourly or per diem)

#### INCLUDES:

- **Direct Service Costs** - relating to the individual supported: salary and wage payments, employee benefits, travel costs, training costs, purchased services, and program costs to deliver services.
- **Administration Fees** - relating to governing of the organization or service contract of the individual: salary and benefits, secretarial functions, human resources, finance, information systems, legal staff, purchased professional services, office expenses, financing costs, and insurance.
- **Program Administration** - related to interaction with the individual and direct supports to the individual's services: salary and benefits, secretarial functions, travel, training, office expenses, accreditation, service quality, and risk management.
- **Overhead Costs** - related to owned or rented properties used to deliver supports and services: rent or deemed rent, utilities, property taxes, repairs and maintenance, janitorial and other upkeep, insurance, minor capital, reserve for operational replacement.
- **Risk and contingency** - vacancy, emergency and crisis management.
- **Capital replacement** - acquisition and/or replacement of existing property.

\* Base Rate is calculated on benchmarks for individuals at lowest level of need

### ADJUSTMENTS TO BASE RATE

- **Intensity of service needs** based on Application Form, SIS tool and RUU tool
- **Regional variances** due to transportation, accomodation/overhead, wage gap
- **Other variations** due to different choices in congregate vs. individual models of care between agencies
- **Individual variances** due to any involvement in the criminal justice system and any specific cultural, ethnic or spiritual needs
- **Any other adjustments**

## BACKGROUND

For the last several years, the Ministry of Community and Social Services has been working with its various stakeholders to transform Developmental Services in Ontario. From both a policy and operations perspective, the service and support systems for individuals with a developmental disability have been steadily shifting to address that transformation with a movement toward more individualized and community based options across the province.

The Ministry has identified changes in the **funding approach** for individuals, families and service agencies as a key component of a transformed system of services and supports in Ontario. In doing so, the Ministry has signalled its intention to move toward more **individualized** and, at times, **direct** funding approaches to better meet the needs and choices of individuals and families while ensuring transfer payment agencies remain viable and responsive.

In September, 2007, the **Provincial Network** identified the future of Ontario's funding approach for the Developmental Services sector as a major priority of its broader membership. In response, it struck a **Funding Work Group** to capture the views of the field, review options and identify key elements and features that ought to be addressed through any change to a more individualized or direct funding approach for consideration of both the field and the Ministry as it moves to a transformed provincial funding strategy for the Developmental Services sector forward. (See Appendix A - Terms of Reference). It is important to note that the Work Group was not charged with the task of debating the merits of individualized or direct funding options...that direction was already a given as indicated by the Ministry and as such, has been enshrined in new legislation for Ontario. Rather, the Work Group has devoted its time to examining what the key elements of a transformed funding approach might look like; what process and system changes need to be in place to support such a change; and, how change might move ahead while maximizing agency support and contribution.

A representative group of member executives, financial and policy experts were recruited and for the past 18 months have been meeting on a regular basis to address the task as outlined by the Provincial Network. Geographic representation, a mix of larger urban and smaller rural as well as remote communities was ensured through the then current membership of the Provincial Network including individuals from OASIS, Community Living Ontario, the Great Lakes Association, MARC as well as Faith and Culture. (See Appendix B – Work Group Membership and Meeting Dates)

As part of its detailed **work plan** and process, the Work Group:

- Identified key principles to help guide and anchor its work that were reflective of the current vision and future direction for Developmental Services in Ontario;

- Undertook a jurisdictional review of existing funding approaches and considered best practice from various parts of Ontario, Canada, USA, Europe within the developmental, health care and broader social service sectors;
- Worked in close collaboration with the OASIS Business Resource Committee to establish benchmark costing information and develop the key elements and technical aspects of a funding approach;
- Established a working relationship with the Ministry through its Developmental Services Policy Branch and included members of that team and their consultants through its regular agendas to address work in progress;
- Reported regularly on the progress of its work and distributed minutes of its meetings to the Provincial Network; and
- Consulted through public forums with open invitation to the broader Provincial Network membership in both June, 2008 and March, 2009.

As indicated, the Work Group examined innovative and individualized funding approaches through its **jurisdictional review** with the assistance and support of its Work Group members, key informants from various areas and the Canadian Association for Community Living. While progress was noteworthy with some provinces and states such as New Brunswick, British Columbia, North Carolina and Missouri, none had progressed to the point where there was sufficient evidence to support an adoption of their approach for Ontario. During the course of their regular duties, Work Group members were able to access information on local experiences and lessons learned in both Europe and North America, but again due to the recent evolution of individualized and direct funding approaches in those areas, that evidence was somewhat limited in its utility. Of greater assistance were features that were identified in some of the Health Care and related Social Service sectors. Some features of portability, volume sensitivity, benchmarking, unit costing and accountability were particularly informative. The Work Group was also provided with the Ministry's commissioned jurisdictional review to augment its information which provided more detailed information on various American states. To assist in its analysis of the foregoing information, the Work Group tabulated the key features, strengths and weaknesses of each funding arrangement while identifying those aspects that might have relevance or potential for an Ontario approach to funding. (See Appendix C - Jurisdictional Review)

## CONTEXT

In the Fall of 2008, Bill 77 *Services and Supports to Promote the Social Inclusions of Persons with Developmental Disabilities Act, 2008*, passed third reading and is expected to be proclaimed and come into effect later in 2009 or early 2010. The Act and its regulations will provide a new legislative framework to guide the delivery of Developmental Services in Ontario. The new Act makes provision for the continuation of service models that have served individuals well in the past and

promise to continue to do so into the future. The Act also creates newly legislated provisions for the option of delivering direct funding to individuals to meet their individual support needs.

Any future funding model must continue to make investments necessary to stabilize, sustain and evolve the existing supports and services, however provided, to individuals with developmental disabilities. Existing supports and services continue to face considerable challenges with respect to the adequacy of funding to meet current demands.

Likewise, the new funding model must aim to ensure that direct funding options are adequately resourced to address the real challenges facing individualized or direct funding that have existed to date. In particular, the funding model must ensure that allocations and policy related frameworks are adequate to allow individuals and families to attract and retain qualified workers.

Consistent with the title of the new legislation, it is recognized that supports and services are provided in order to promote social inclusion. Regardless of which form of funded support individuals choose, direct funding or agency services, we must aim to ensure that individuals are able to maximize their opportunities to fully participate in regular community life; and have every opportunity to develop self reliance and autonomy to augment natural supports, not replace them.

The following principles are reflective of the field's current vision and future direction and were used to help guide and anchor the Work Groups deliberations with regard to funding approach:

***Inclusion***

- Where individuals are encouraged and supported to make choices that lead to a full and better quality life through the development of relationships and participation in their community.

***Individual Choice***

- Where individuals and families are given the opportunity and freedom to plan and direct their own lives; and
- Where individuals and families have the right to make informed choices with access to adequate and accurate information.

***Individualized Funding***

- Where support dollars are allocated and attached to the individual to meet changing needs; and
- Where the individual needing support can have access to and the option to manage their allocated funds. (Individualized funding and individualized budgeting have been used interchangeably in this document)

***Portability***

- Where if circumstances require a change in support provision or provider, support dollars are flexible and can be moved in consultation with the decision maker - the individual and their family/support network.

### ***Accountability***

- Where the individual, their family/support network and support agencies are all doing what they say they are doing for spending public funds in accordance with a plan that includes quality and life enhancing outcomes; and
- Which utilize accountability mechanisms that are simple and understood by all parties.

### ***Innovation***

- Where the support system that includes individuals, families, support providers and government promotes, encourages, invests in and shares best practices and innovative/ creative thinking.

### ***Equitability***

- Where the support system includes mechanisms that ensures equitable access to resources.

### ***Sustainability***

- Where the support system that includes individuals, families and support providers includes mechanisms to ensure the stability and sustainability of supports over time.

### ***Fairness***

- Where the support system includes allocation mechanisms that promotes and ensures fairness for all.

## **KEY FEATURES OF FUNDING FORMULA**

With the foregoing in mind, the Work Group set out to define various elements of a transformed province-wide funding formula. As previously indicated, that funding allocation formula needs to provide for choice and should be transparent, clearly understood by the individual, their support

network and service providers.

Funding needs to be tied to the individual and not to the service provider regardless of whether the individual and their support network have chosen direct funding or agency based services. Moreover, whether funding is supporting direct or agency based services, the following key issues must be addressed through the allocation including:

- qualified and trained staff to provide quality services and supports;
- administration costs incurred by both the family and service providers;
- identifiable expectations and outcomes as per person directed plans;
- families receive the necessary information and training to administer funds;
- an accountability process to monitor quality of support, contractual obligations and outcomes is in place;
- process to monitor and report Serious Occurrences / Risk issues; and
- cash is flowed on a timely basis to families and/or service providers.

Wherever possible, the various elements of any provincial funding formula ought to apply consistently whether those funds are being allocated direct to family/individuals or to agencies. The funding allocation formula should be based on a rate that may be hourly or on a per diem basis related to the services provided including the following:

Funding	Agency Based Services	Direct Funding
Direct Service Costs	Yes	Yes
Administration Fee	Yes	Yes
Adjustments:		
• Intensity of support needs identified through Support Intensity Scale (SIS)	Yes	Yes
• Regional Variances	Yes	Yes
• Other		
Program Administration	Yes	No
Overhead	Yes	No
Risk and Contingency	Yes	No
Capital Replacement	Yes	No

**Direct Service Costs** include:

- **Salary & wage payments** to all staff directly providing service to the individual including premium pay, overtime pay, vacation pay, replacement staff and other direct monetary compensation paid to employees;
- The employer's cost of **employee benefits** including mandatory benefits (such as CPP, EI, EHT), WSIB, and other negotiated benefit plan costs;
- **Travel costs** incurred directly supporting the individual including allowances per km, use of personal automobiles; bus, train, taxi or air travel costs; parking fees; a prorated share of the costs of repairing and maintaining agency leased or owned vehicles; a prorated share of the auto insurance paid by the agency; and other travel related incidental costs including meals, and accommodation;
- **Training costs** including training, conference registration expenses, reference books and other training materials related to providing service to the individual and all costs related to the recruitment of direct support staff including advertising;
- **Purchased services** related to the individual being supported for professional services, including consultation costs, interpretation and translation costs, psychological assessment and consultation costs, physical or occupational therapy, speech pathology, audiology, dietetic or play therapy, tutoring costs and other non-medical services provided to the individual that are not provided by Ministry funded specialized services, or any other Ministry; and

- **Program costs** incurred in the delivery of services direct to the individual including program supplies (e.g. play therapy supplies, sports and recreation supplies, repairs and maintenance of program equipment).

**Administration Fees** include:

- Those associated with governing of the organization or service contract of the individual. They do not include program administrative functions that directly support service to the individual;
- **Salary and benefit costs** of the Executive Director and other management staff who spend all or a portion of their time dedicated to administrative functions;
- Costs of **secretarial functions** that are not fully dedicated to specific programs;
- Costs of **Human Resources, Finance, Information Systems and Legal staff**;
- **Purchased professional services** that are not related to the individual, including all costs incurred in purchasing professional services such as audit or bookkeeping, cost to develop or maintain information systems;
- **Office expenses** including computer costs, telephone, printing/copying, stationary, postage and courier, office equipment rental and repairs, periodicals, journals and microfilming;
- **Financing costs** such as payroll services, and bank service charges; and
- **Insurance** including the cost of fire, theft, damage, as well as bonding and liability insurance

**Adjustments** to the base rate include:

- **Intensity of service needs** based on the Application form, Support Intensity Scale (SIS) tool and Resource Utilization Units (RUU) tool;
- **Regional Variances** due to transportation, accommodation/overhead, and wage gaps
  - Regional cost differences need to be gathered using information from various sources including Stats Canada to determine % increases/decreases within and between regions;
- **Other Variances** due to availability of choices for congregate versus individual models of care;
- **Individual Variances** due to any involvement in the criminal justice system, and any specific cultural, spiritual, ethnic or religious need (eg. one on one or gender specific workers, specific foods or requirements related to religious practices); and
- **Any other adjustments that may be justified**

**Program Administration** includes:

- The functions involving interaction with the individual and direct supports to the individual's services, such as supervision of direct care staff or front line workers. The program administration costs are only provided for agency based services and would no longer be necessary if the program ceased to operate;
- **Salary and benefit costs** of management staff who spend all or a portion of their time dedicated to supervision of direct care staff or front line workers or the delivery of service functions;
- Costs of **secretarial functions** that are dedicated to specific services;
- **Travel** costs incurred in providing support to specific services including allowances per km, use of personal automobiles; bus, train, taxi or air travel costs; parking fees; a prorated share of the costs of repairing and maintaining agency leased or owned vehicles; a prorated share of the auto insurance paid by the agency; and other travel related incidental costs including meals, and accommodation;
- **Training costs** including training, conference registration expenses, reference books and other training materials related to providing service to the individual and all costs related to the recruitment of program support staff including advertising;
- **Office expenses** including computer costs, telephone, printing/copying, stationary, postage and courier, office equipment rental and repairs, periodicals, journals and microfilming;
- **Accreditation** costs; and
- Expenses related to service **quality and risk** management as identified in the Ministry's risk assessment tool including:
  - Governance and organizational risk
  - Service delivery and operational risk as outlined in the service description schedule, license or compliance review, serious occurrence reports
  - Stakeholder satisfaction/public perception risk
  - Financial risk
  - Legal and compliance risk
  - Technology risk
  - Information management risk
  - People/human resources risk

**Overhead costs** include:

- Costs related to owned properties including deemed market rent or rental space used by agencies in rendering service to the individuals supported including administrative buildings, offices and other facilities;
- Cost of utilities, property taxes, and other related costs incurred in the operation of the properties;
- Building repairs and maintenance costs including the cost of maintaining fences and driveways/roads on the property and repair or maintenance of furnaces and boilers;

- Janitor supplies, general upkeep, gardening, lawn maintenance, waste disposal and cleaning incurred in the upkeep of the properties;
- Insurance costs for premises, furnishing and equipment;
- Minor capital costs incurred in the purchase of and repairs and maintenance of building equipment and fixtures; and
- A reserve to enable agencies to plan for operational replacements as needed

**Risk and Contingency Funds** are only required for agencies to ensure stability in service delivery, and will address funding shortfalls that may be experienced in relation to loss of revenue due to unanticipated vacancies or changes in an individual's circumstances where notification is required to adjust agency staffing levels. These might include:

- Vacancy reserves based on similar occupancy rate practices currently used by the Ministry of Children and Youth Services;
- Emergency hospitalizations that require additional staffing support;
- Short term changes in circumstance that may require alternative placement or additional staffing being put into place; and
- Crisis management such as a death of family member that requires a local crisis response to be implemented immediately

**Capital Replacement** include:

- Acquisition of and/or replacement of existing property

## PORTABILITY

All funding methods must be portable across all regions within the province of Ontario, with clear policy and operating protocols developed to ensure that service delivery is seamless. This includes the transitions from children's services and through the aging process. Such policies and protocols must be adaptable to allow for changes in costs based on regional variances.

It should not be the Region/community to which the person moves that has the responsibility to find the funds required out of already limited resources, while the Region/community from which the person moves receives a windfall. The unused fiscal allocation of individualized funding should be fully portable regardless of the funding method selected by the individual, with a reasonable notice period to all for adjustment time (e.g. sixty (60) to ninety (90) days depending on circumstances and contractual agreement.) Regional variances need to be determined and funding adjusted to address any possible regional differences.

To ensure the success of the portability of the funding model there needs to be a timely process to address the subsequent vacancy management issues.

A clear and concise process and direction regarding portability needs to be included in all direct and agency based funding agreements or contracts.

## **APPLICABILITY OF FUNDING FORMULA**

As part of the transformation to the new funding model, the Work Group has carefully considered the experience from other jurisdictions and recommends those

detail codes that lend themselves to a more individualized focus be considered for the first phase of implementation for a new funding formula including:

- Supported Independent Living 8846
- Associate Home Living 8845
- In Home Respite 8855
- Out of Home Respite 8856 (except for 24/7 centre based respite)
- Community Access Supports (i.e. Day Activities) 8860
- Employment Supports 8868
- Individualized Funding
- Individualized Residential Model

The Work Group recommends a hybrid funding approach that:

- Maintains all Service Contracts between the Ministry and various transfer payment agencies for twenty- four (24) hour residential services and specialized or clinical services; while
- Moving toward individualized funding for all other services through a Service Contract administered by way of ministry proposed Funding Entities directly with individual and their families or transfer payment agencies.

In order to unbundle block funding best practices that currently exist in agencies administering individualized funding should be reviewed and agencies trained in regards to these practices.

## **TRANSITION TO FUNDING FORMULA**

The Work Group recommends that the Ministry take a phased approach to implementing change with regard to Ontario's funding approach. Piloting

wherever possible to ensure integrity of the model and to deal with implementation issues is critical to the success of any change. For new individuals entering the system, the Application and Assessment process should be implemented and individuals provided with a funding allocation. Thereafter, and following a pilot approach, the Application and Assessment process can begin to be applied to individuals currently receiving supports.

In order to ensure success and maintain system stability, the transition to individualized funding for those persons currently receiving supports should take place over a three (3) to five (5) year period. As previously indicated, consideration should be given to delay unbundling the current supports provided through twenty-four (24) residential services at this time and only implement it further when the funding formula has been properly tested in the other service

areas. The review conducted by JLS Management Consulting Inc. identified that many jurisdictions do not offer twenty-four (24) hour residential services under the individualized budget, since it is not the most cost effective method for service provision. However, where innovative residential options might be feasible some movement from this funding stream should be dealt with between individuals, their families, the transfer payment agency and the Ministry as they arise.

Infrastructure costs (overhead, program administration, administration) and capital replacements could be funded through the new funding model on an hourly or per diem rate if agencies are given the opportunity to carry forward reserves to cover current and future infrastructure and capital costs. There needs to be a transition period of five years to allow for accumulation of adequate reserves in order to enable agencies to be self-sufficient in addressing these costs. The establishment of reserves by agencies should be in compliance with Generally Accepted Accounting Principles (GAAP) or through a Ministry policy change to be consistent with the Dedicated Housing Support (DHS) model currently funded and under the purview of the Ministry of Community and Social Services.

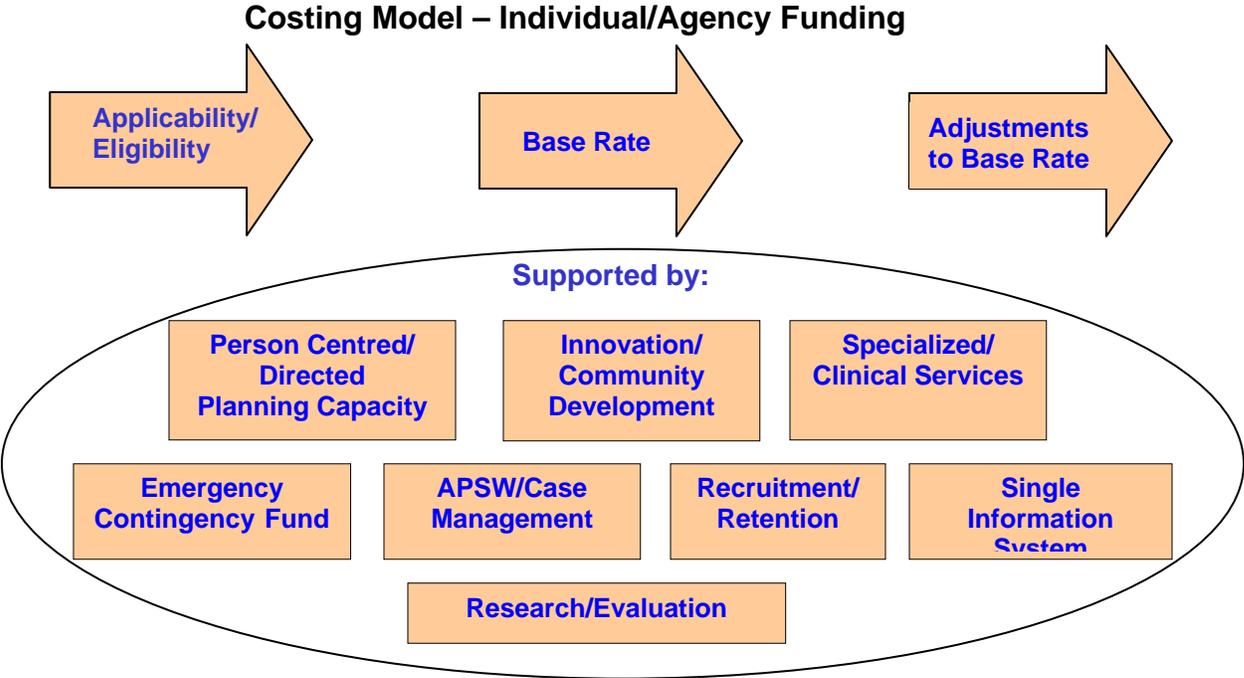
### **DETAIL CODE STREAMLINING AND CONSISTENCY**

The committee attempted to determine cost benchmarks for the most common detail codes currently used within the developmental sector. There is currently no consistency with which activities are included in the detail codes within and across Ministry regional offices in the province. With the development and implementation of the revised detail codes within the sector, clear service definitions need to be provided to ensure data accuracy and consistency across the province and to inform benchmarking and the funding model.

### **ECONOMIC ADJUSTMENTS**

A mechanism to monitor and adjust the funding levels as needed is imperative to the successful implementation of the funding approach. An annual review of the established benchmarks needs to occur and be monitored. Statistical information such as the annual cost of living allowance (COLA) and any wage adjustments provided or legislated by the Government of Ontario should be used to assist in determining if benchmarks are up to date.

# ADDITIONAL COMPONENTS OF NEW FUNDING APPROACH



In addition to the various elements of the aforementioned funding formula which has been designed to help achieve a more individualized and direct funding approach in Ontario, several additional components must be addressed. These issues are viewed as critical to the success of transformation and will require additional and new investments to ensure the viability and build capacity of the Developmental Services sector in Ontario on a going forward basis.

**Person Centred/Directed Planning**

Resources must be made available to the individual and his or her family to assist the individual in carrying out good planning that will identify the life the person with a disability desires to lead and the support they might need to achieve their goals. With person directed planning included in the new legislation as a fundable element, a new funding model must consider the interplay between planning and funding allocations. Further, the model must recognize that without planning, funding allocations cannot avoid being arbitrary and are very likely to be imprecise in both the amount of funding allocated and to what supports the funding is applied. The success of the new system will not only be aided by the consistent application across the province of the standardized tools, (such as the Support Intensity Scale or the Resource Utilization,) but also by a strong foundation of individualized planning.

Person directed planning should be available to individuals immediately upon being identified as eligible for service, even before an application for other supports has occurred. Choice with regard to planning support ought to be available through agencies or on an independent purchase of service basis in local community. Such planning typically engages the individual and their circle of support by providing life planning, identifying strengths, goals, needs, costing supports, applying for funding, negotiating agreements and helping individuals and family to maximize natural community supports and resources. Planners may also assist by arranging support providers, funding management and ongoing planning and support management. Person direct planning is directed by, and accountable to, individuals and the support network.

### **Innovation/Community Development**

Investment in community development is another form of support that governments must provide to assist the community to remove barriers to participation and ensure that the entire community has the knowledge and resources necessary to support inclusion of all its citizens. Priority needs to be given to consumer constituency building with particular attention to developing the leadership of individuals and families throughout the transformation process. As well, renewed focus both on creating capacity of communities to develop a sufficient supply of specialized supports, and enable full access to other funded community services such as education, recreation, housing and transportation are fundamental to helping people with a developmental disability to be fully included. Innovation funds ought to be made available to provide incentives for communities to collaborate and build capacity in these critical areas.

### **Specialized/Clinical Services**

While the proposed funding approach does not address provision and access to specialized services such as assessment, behaviour management, nursing care or speech and language, it assumes that a sufficient supply exists and is accessible across the province. While it is understood that these resources would be accessed on an exceptional basis; without them, inclusion and support in community for people with a developmental disability is severely compromised. This situation is particularly pronounced with our aging population.

### **Emergency/Contingency Fund**

At a Regional level across the province, funds for emergency or unforeseen circumstances need to be set aside as part of an ongoing risk management strategy. Through the review of best practises and approaches, it was revealed that other jurisdictions such as California and New Zealand set aside up to 5% of their base budget allocation for individual case related, community and system wide emergencies and pressures. Such a fund, if unexpended in the current year, shall be carried over into the future.

### **Adult Protective Service Workers (APSW)/Case Management**

In October, 2008, the Ministry released policy guidelines for Adult Protective Service Workers across Ontario. The APSW program was originally designed to provide direct support to people with a developmental disability who live alone in community while advocating on their behalf to access mainstream services and actively promote the expansion of community supports. While the aforementioned guidelines were helpful in bringing some consistency to the fundamentals of this important service, it was developed and is still delivered quite differently across the province. While the APSW program was not considered as part of the core funding approach recommended by the Work Group, it is important that the Ministry step back to rationalize the program and its delivery. Designated funds to ensure its continuation and consistent application across the province are critical to the success of transformation and community inclusion.

### **Recruitment and Retention**

The Ministry has taken the need for a Human Resources Strategy seriously and has demonstrated its willingness to work in partnership with the field to address the various components of a multiyear plan. A consistent supply of qualified and skilled staff is foundational to the success of transforming services and supports while achieving more individualized and direct funding options. The field's work with the Ministry of Training Colleges and Universities (MTCU) in developing and updating curriculum for the Developmental Services Worker (DSW) program; sharing best practices for recruitment, training, retention and recognition of staff; as well as the design of competency based compensation and the marketing of the profession are all examples of areas that will require ongoing investment with designated funds as well as continuing Ministry leadership.

### **Single Information System**

The Funding Work Group is very concerned with the current state of the sector with regard to information services and systems. Each individual agency across the province has developed its own information technology solutions in isolation from the other. In the absence of any tangible provincial strategy or direction, millions of dollars have been spent by agencies provincially to develop stand alone computer systems. While there is some evidence of movement on the part of the province to address this issue by collecting data through application centres, it is neither rational nor sustainable for the sector to continue without a comprehensive information technology strategy. Funds need to be set aside to address the need for a province wide data and information system through which individual agencies can connect and analyze data in real time. Providing basic information on waitlists, person centred plans and outcome measures are but a few of the results that should be expected from a provincial information system. In addition to the foregoing, web-based solutions and support that is available for families and individuals 24/7 is the way of the future and critical to Ontario's

strategy for managing and responding to increasing demands for service and support.

### **Research and Evaluation**

Broadly speaking, there has been a dearth of research and evaluation to guide the sector and shape the future of services and supports for individuals with a developmental disability. While a recent focus on accreditation and quality assurance has been welcomed, the Work Group is very concerned with some significant gaps. As a field we are lacking in scientific or research evidence to help us better understand best practices. When compared to Health, Education and other Social Service sectors, Developmental Services sector has been at a disadvantage in its relationship with academia and the general research community. With all of the service, funding and systems change currently underway, the need for an investment in research and evaluation is urgent. Capacity to measure outcome at an individual and system level as well as designated funds to encourage partnerships with academic institutions and research experts is a critical cornerstone of transformation. With each new system feature and innovation that gets introduced over the next year we need to be in a position to understand impact and measure success several years out. With close to \$1.6 billion spent on an annual basis, such an investment is needed to ensure basic accountability and inform our future.

## RECOMMENDATIONS

1. A province wide funding formula should be based on an hourly or per diem rate that and applies to both Direct Funding as well as Agency Based Funding and should include the following components:
  - Direct Service Costs;
  - Administration Fees;
  - Adjustments for Intensity of Need; and
  - Regional Variances.

In addition to the foregoing, Program Administration, Overhead, Risk and Contingency as well as Capital Replacement should be considered as part of a standard funding formula for agencies.

2. All funding methods must be portable across the regions with clear policy and operating protocols developed to ensure that service delivery is seamless through transitions and adaptable to allow for changes in costs based on regional variances.
3. The Work Group recommends a hybrid funding approach that:
  - Maintains all Service Contracts between the Ministry and various transfer payment agencies for twenty-four (24) hour residential and related care services and specialized or clinical services; while
  - Moving toward individualized funding for all other services including Supported Independent Living, Associate Home Living, In Home Respite, Out of Home Respite, Community Access Supports, Employment Supports, Individualized Funding, and Individualized Residential Model.
4. The Work Group recommends that the Ministry take a phased approach to implementing change with regard to Ontario's funding approach over a three to five year period. Piloting wherever possible to ensure integrity of the model and to deal with implementation issues is critical to the success of any change. Unbundling funds for twenty-four (24) hour residential services and related care should be delayed until the new funding approach has been implemented and piloted.
5. With the development and implementation of the revised detail codes within the sector, clear service definitions should be provided to ensure data accuracy and consistency across the province and to inform cost benchmarking and the funding model.

6. An annual review of the established benchmarks should occur and be monitored with both COLA and any other wage adjustments provided or legislated by the government of Ontario.
7. The following issues are viewed as critical to the success of transformation and will require additional and new investments to ensure capacity and viability of the developmental services sector in Ontario on a going forward basis including:
  - Person centred/directed planning;
  - Innovation/community development;
  - Specialized/clinical services;
  - Emergency/contingency fund;
  - APSW/case management;
  - Recruitment and retention;
  - Single information systems; and
  - Research and evaluation.
8. The Ministry should develop policy and directives that clearly address various elements such as portability and accountability so they are transparent and fully understood by all parties to any provincial funding agreement on a go forward basis and reflect a transformed Developmental Services system.
9. The Ministry should adopt a business approach to accounting and financial reporting consistent with Generally Accepted Accounting Principles (GAAP), which recognizes the use of depreciation and amortization, accruals, deferrals and reserves for multi period activities.
10. Any changes to the Ontario's funding approach should be evaluated on a regular interval and adjusted accordingly as implementation occurs in consultation with the field.

# APPENDICES

## Appendix A

### PROVINCIAL NETWORK Funding Work Group (Ad Hoc) Terms of Reference

#### **Mandate, Role and Responsibilities**

To review options and recommend a provincial funding strategy for the developmental services sector. This includes:

- Researching and reviewing existing funding approaches and best practices in developmental services across North America and elsewhere;
- Defining the various components of a developmental services funding approach including individualized funding, special service at home, and other key elements of transformation;
- Establishing benchmarks for service costing, administrative overhead, etc;
- Examining options for accounting policy and practice as it relates to emerging issues and the provincial audit;
- Developing a mechanism for consulting with the field, family members, self advocates and the policy branches of the Ministry of Community and Social Services and other related Ministries.

#### **Membership**

Members will include a mix of Executive Directors and representatives from finance, human resources and programs and will be representative of agencies of all sizes from the urban, rural and remote geographic areas of the Province.

#### **Meeting Schedule and Minutes**

Meetings will be held as needed or at the call of the Chair. Responsibility for completion of minutes will be shared by committee members.

#### **Accountability**

The Work Group is accountable to the Provincial Network

**WORK GROUP MEMBERSHIP AND MEETING DATES**

**Work Group**

John Bedell, Woodstock & District Developmental Services  
 Ken Chan, Surrey Place Centre  
 Sol Fleising, Reena  
 Michael Hull, Community Living Dryden  
 Ann Kenney, Community Living South Muskoka  
 Gord Kyle, Community Living Ontario  
 Ray Luxon, Community Living Ontario  
 Angelica McKay, Christian Horizons  
 Geoff McMullen, Developmental Services of Leeds & Grenville  
 Xavier Noordermer, Community Living Windsor  
 Ken Pickard, Community Living Thunder Bay  
 Flavian Pinto, Community Living Toronto  
 Bruce Rivers, (Chair) Community Living Toronto  
 Andy Rotsma, Community Living Oakville

**Subcommittee**

OASIS Business Resources Committee

**Ministry Linkages**

Monica Neitzet, Manager, Developmental Services Policy Branch, MCSS  
 Elizabeth Yiegh, Manager Developmental Services Policy Branch, MCSS

**Ad hoc**

Collette Kent, Director, Policy Branch, MCSS  
 Sally McGowan, Director Accountability Office, MCSS  
 Dr. Allan Gregory, Maitland Consulting  
 Jason Ducharme, Consultant

**Meeting Dates**

December 14, 2007	January 7, 2009
February 12, 2008	January 22, 2009 (Provincial Network briefing)
March 25, 2008	February 18, 2009
April 30, 2008	March 10, 2009 (Provincial sector briefing)
May 21, 2008	
June 2008 (Provincial Sector briefing)	March 25, 2009
June 27, 2008	May 7, 2009
August 21, 2008	
September 22, 2008	
October 15, 2008	
December 1, 2008	

**JURISDICTIONAL REVIEW**

<b>Sector or Model</b>	<b>Applicability</b>	<b>Concerns</b>
Child Welfare Multi-Year Funding	<ul style="list-style-type: none"> <li>• Minimum and Maximum thresholds allowing for funding to drop 10% before decreasing allocation and 5% growth before increasing allocation</li> <li>• Core funding at local rates allowing for regional variation</li> <li>• Growth funding at provincial rates</li> <li>• Growth predicted on demographics and socio economic factors</li> <li>• Capital and technology dollars provided provincially</li> <li>• Three year planning with annual funding and reconciliation</li> </ul>	<ul style="list-style-type: none"> <li>• Doesn't consider individualized funding</li> <li>• Not true multi year funding</li> <li>• Provincial growth rates may not be reflective of local rates that may be higher</li> </ul>
Autism Intervention Program Direct Funding Model	<ul style="list-style-type: none"> <li>• Standardized hourly rate for families</li> <li>• Separate one-time capital and administration costs</li> <li>• Direct, Indirect and Administration costs are 100% portable</li> <li>• Standardization of activities and outcomes</li> <li>• Takes into account individuals right to choice</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of accountability for the use of funds by the family</li> <li>• Lack of other clinical supports provided by publicly funded transfer payment agencies</li> <li>• Families need to know how to navigate the system</li> </ul>
Community Care Access Centre (CCAC) Model	<ul style="list-style-type: none"> <li>• Funds based on a caseload of individuals receiving basket of service units at a predetermined unit cost for an average length of stay within a catchment area</li> <li>• CCAC case managers assess individuals based on an industry standard assessment tool and identify need</li> <li>• Service orders are sent to contracted service providers who deliver service within contract provisions and bill CCAC for services</li> </ul>	<ul style="list-style-type: none"> <li>• Frequently creates the yoyo effect to balance budget causing large surpluses or deficits</li> <li>• While cost per individual is used in block funding , the funding itself is not based on individuals</li> </ul>
Support Intensity Scale (SIS), Resource Utilization Unit (RUU)	<ul style="list-style-type: none"> <li>• Industry standard Assessment tool to determine individual need</li> <li>• Takes into account resources required based on the individuals need</li> </ul>	<ul style="list-style-type: none"> <li>• Availability of resources required to support needs</li> <li>• Allocation model must ensure funding at a sustainable level</li> </ul>
Individual Support Program (ISP) and	<ul style="list-style-type: none"> <li>• Evolving models of individual</li> <li>• Individual funding in sector</li> </ul>	<ul style="list-style-type: none"> <li>• Funding is based on available resources in predetermined</li> </ul>

Sector or Model	Applicability	Concerns
Passport	<ul style="list-style-type: none"> <li>In principle funding is based on individual needs</li> </ul>	funding bands <ul style="list-style-type: none"> <li>No clear framework or expectation for accountability on part of individuals managing their own funds</li> <li>While the models have shown that this is the way to go in meeting the goals of transformation, there is a demonstrated need to set sustainable funding levels</li> </ul>
Individual Funding Models – Mississauga, Toronto, Windsor	<ul style="list-style-type: none"> <li>Families who choose this option indicate they are basically very pleased</li> <li>Individuals and families/support networks have more control and participation in the decisions made about their life</li> <li>Allows for maximum flexibility when developing supports and portability</li> <li>Unencumbered planning helps to develop support networks fostering creativity and ensures planning is community focused</li> <li>Agency acts as the banker/broker for funds – Contracts are signed by families and the contract workers than indicate their mutual responsibilities and clearly highlight that the agency is not the employer</li> </ul>	<ul style="list-style-type: none"> <li>No clear coherent provincial policy currently on individualized funding</li> <li>No standardized or formal framework or mechanism for monitoring and accountability expectations from Ministry of Community and Social Services (MCSS)</li> </ul>
Other Provincial Models – Canadian Association for Community Living (CACL) Perspective	<ul style="list-style-type: none"> <li>Key elements of individualized funding must include: independent planning mechanism for person-directed planning; personal network/relationship development; supported legal capacity/contractual status; individualized funding allocation mechanism; individualized funding delivery mechanism; accountable management support; and community capacity building</li> </ul>	<ul style="list-style-type: none"> <li>Currently none of the provincial funding models meet all the elements stated by CACL</li> </ul>
British Columbia	<ul style="list-style-type: none"> <li>Eligibility is reassessed on a regular basis</li> <li>Qualified assessor conducts assessment and deems if eligible to receive AHP benefits and qualify for services from Community Living BC</li> </ul>	<ul style="list-style-type: none"> <li>Seems to have been integrated with home care program</li> </ul>
Alberta	<ul style="list-style-type: none"> <li>Funding is provided via a choice of</li> </ul>	

Sector or Model	Applicability	Concerns
	<p>direct funding or service funding</p> <ul style="list-style-type: none"> <li>• Direct funding involves creating a funds administrator agreement, receiving a cheque directly and using the funds to hire and pay own staff or pay an approved service provider</li> <li>• Service funding involves funding paid directly to a service provider through a service provider agreement as individual funding or as contract funding based on number of people being supported</li> <li>• Providers are evaluated every three years for set standards and certified</li> </ul>	
International - Germany	<ul style="list-style-type: none"> <li>• Individual funding similar to the other models examined</li> <li>• Initial experience was that individuals moved around but now tend to stay with agencies on a long term basis</li> </ul>	<ul style="list-style-type: none"> <li>• Information based on one agency so further observation would be required</li> <li>• Institutional services</li> </ul>
International - England	<ul style="list-style-type: none"> <li>• All funding is individualized</li> <li>• An assessment criterion has been developed for all of England</li> <li>• Individualized funding for direct care based on need, direct care contracts tendered, 13% management fee, properties are not owned by organizations but by individuals, allowances include caring, transportation, and housing</li> <li>• Contracts are for three years</li> <li>• Accountability for agencies is displayed on public websites</li> </ul>	<ul style="list-style-type: none"> <li>• Cost is fixed for three years, but does not guarantee better care</li> <li>• Funding is market driven and does not guarantee individual care</li> <li>• Agencies are value drive</li> <li>• Significant congregate care in Day Supports</li> </ul>
Jurisdictional Review provided by the Ministry	<ul style="list-style-type: none"> <li>• Principles are rights based being full members of society, controlling and choosing services and providers</li> <li>• Centralized approach to planning and budgeting</li> <li>• Person can be assessed as eligible for supports but the state is not obliged to provide the supports</li> <li>• Services and supports are provided depending on resource availability, and priority in relation to other disabled individuals</li> <li>• Funding caps and limits exist formally or informally</li> <li>• Single point of entry using</li> </ul>	<ul style="list-style-type: none"> <li>• Most have waitlists</li> <li>• Ignores community based planning and budgeting services already in existence</li> <li>• Supports are not always provided to meet individual needs e.g. Special Services at Home (SSAH) and Passport</li> <li>• Funding is not adequate to meet individual needs</li> <li>• Accountability of families and individuals is not present.</li> </ul>

<b>Sector or Model</b>	<b>Applicability</b>	<b>Concerns</b>
	<p>standard application forms</p> <ul style="list-style-type: none"> <li>• Person centred planning resulting in Individual Service Plans which are based on assessment, identified and prioritized needs</li> <li>• Individual budgets are portable within and between regions</li> <li>• Procedures are specified within agreements using third part brokers/providers</li> <li>• Service agreements, policies and agreements are detailed to specify rates, staff skills, reporting requirements and claims processing</li> <li>• Application and needs assessment can be done by government or privatized assessments and are linked to Individualized Service Plans and Level of Support Need</li> <li>• Individual budget and funding models typically involves budgets that the individual directly manage and allows for opting in and out of individualized funding</li> </ul>	