3.07–Community-based Services

BACKGROUND

The Ministry of Health and Long-Term Care (Ministry), through its Community Health Division, provides transfer payments to 42 Community Care Access Centres (CCACs) and to approximately 850 community support service (CSS) agencies for the delivery of community-based services. The funding is used to provide professional, homemaking, and personal support services at home for people who would otherwise need to go to, or stay longer in, hospitals or long-term-care facilities. Funding is also provided to assist frail elderly people and people with disabilities to live as independently as possible in their own homes.

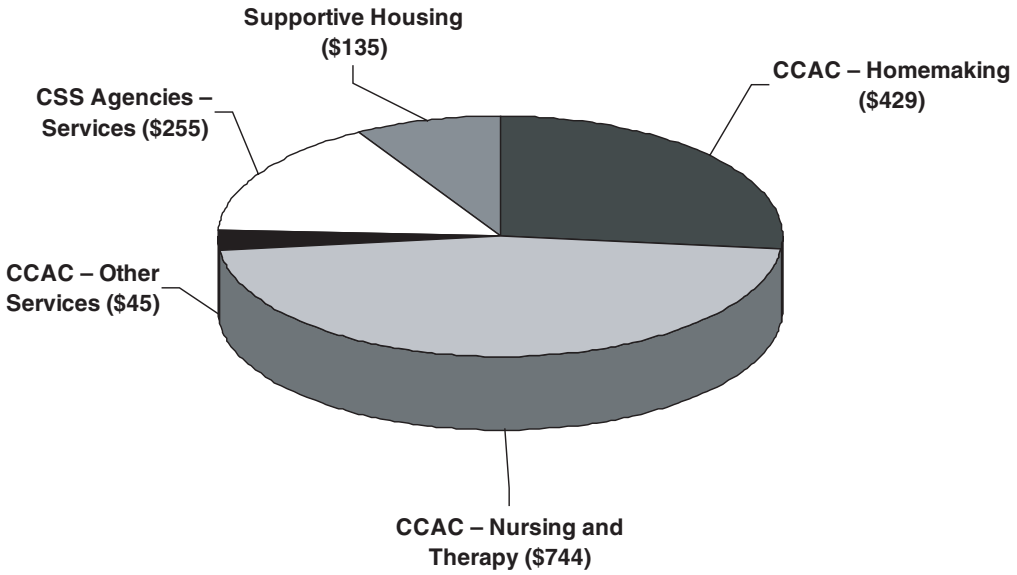
Examples of Ministry-funded, Community-based Services

Services accessed through CCACs and purchased on behalf of service recipients:	Services accessed through and delivered by CSS agencies:
▪ Professional Services - nursing - occupational therapy - physiotherapy - social work	▪ supportive housing ▪ Meals On Wheels ▪ transportation ▪ home maintenance and repair ▪ friendly visits ▪ security checks
▪ Homemaking Services - housecleaning - laundry - shopping, banking, paying bills - preparing meals	
▪ Personal Support Services - assistance with daily living, for example, personal hygiene	

Source of data: Ministry of Health and Long-Term Care

In the 2003/04 fiscal year, the Ministry provided approximately $1.6 billion in funding through transfer payments to CCACs and CSS agencies. Funding for the 1997/98 fiscal year, when we last audited this program, totalled $1.2 billion.

Community-based Services Expenditures, 2003/04
($ million)



Source of data: Ministry of Health and Long-Term Care

Legislative authority for providing and delivering community-based services is established under the *Long-Term Care Act* and the *Health Insurance Act*. The *Community Care Access Corporations Act, 2001* transformed CCACs from not-for-profit corporations with independent community-appointed boards to statutory corporations with board members appointed by the Lieutenant Governor in Council.

The administrative, financial, and reporting requirements that must be followed by CCACs and by CSS agencies are outlined in memorandums of understanding and in service agreements between each CCAC or CSS agency and the Ministry.

The Community Care Access Centres Branch of the Ministry's Community Health Division is responsible for making decisions about funding and resource allocation, for establishing policy direction, and for implementing reform initiatives for community-based services. The Ministry's seven regional offices are responsible for program administration and for allocating funding to the CCACs and CSS agencies in accordance with applicable legislation and ministry policies.

AUDIT OBJECTIVE AND SCOPE

The objective of our audit of the community-based services transfer-payment programs was to assess whether the Ministry had adequate procedures in place to ensure that services provided by Community Care Access Centres and community support service agencies were meeting the Ministry's expectations in a cost-effective manner.

Our audit was performed in accordance with standards for assurance engagements, encompassing value for money and compliance, established by the Canadian Institute of Chartered Accountants, and accordingly included such tests and other procedures as we considered necessary in the circumstances. The criteria used to conclude on our audit objective were discussed with and agreed to by ministry management.

The scope of our audit work included reviewing and analyzing relevant information available at the Ministry's CCAC Branch, at three of the Ministry's seven regional offices, and at the Long-Term Care Redevelopment Project Office, as well as discussions with appropriate staff. In addition, we surveyed other jurisdictions and met with researchers and experts in the field of community-based services, and with representatives of the Ontario Home Health Care Providers' Association, the Ontario Association of Community Care Access Centres, and the Ontario Community Support Association.

We reviewed the work of the Ministry's Internal Audit Service and noted that they had not conducted any recent audits or reviews relating to the provision of community-based services that affected the scope of our audit.

OVERALL AUDIT CONCLUSIONS

The Ministry has recognized the need to improve its procedures to better ensure that Community Care Access Centres (CCACs) and community support service (CSS) agencies are meeting the Ministry's expectations in a cost-effective manner. For instance, the Ministry was in the process of implementing a number of initiatives to improve CCAC accountability, consistency, and co-ordination, including a standard Memorandum of Understanding, a standard format for CCAC annual business plans, and a draft policy manual to be followed by CCACs.

While progress is being made, a number of the concerns that we raise in this report mirror concerns we raised in our *1998 Audit Report*. These include the need for: a funding formula that more fully allocates funds based on assessed needs; measures to demonstrate clients are in fact receiving quality care; and an information system to collect client-level service and costing data. In particular, in our current audit we found that:

- The formula used by the Ministry to determine the level of funding to be provided to CCACs and CSS agencies still does not assess the need for services or ensure equitable province-wide access to services. An independent review of the funding formula noted that the Ministry had not fully taken into account substantial variations in different parts of the province regarding the need for home care and concluded that some CCACs were receiving significantly more or significantly less money than they would have if service levels were being applied consistently throughout Ontario.
- From 2001/02 to 2002/03, during a period when funding provided to CCACs was frozen at 2000/01 levels, the number of nursing visits decreased by 22% and the number of homemaking hours decreased by 30%. The Ministry had not formally assessed the impact of such a significant decrease either directly on recipients or indirectly on other parts of the health care system (through, for example, an increased need for hospital care).
- The Ministry had not yet developed service standards to determine whether community-based services are being provided at expected levels and in a consistent, equitable, and cost-effective manner across the province.
- A standard assessment tool for use by all CCACs across the province, which would help ensure consistent assessments of client needs, was in the process of being implemented.
- The Ministry needed to expand its efforts to assess the quality of the care being provided to service recipients and to determine whether legislation and ministry standards were being complied with.
- The Ministry acknowledged in 1998 that the development of a new information system was a high priority. While progress has been made, the information needed to effectively monitor and manage community-based services, such as client-level service and costing data, was not yet available.
- To address our 1998 recommendation that CCACs verify that individuals requesting services had a valid Ontario Health Insurance Plan (OHIP) card (health card), the Ministry implemented a dial-in verification system. However, of over 250,000 individuals who had received services from 25 of the 42 CCACs during the two-year period since the system was implemented, fewer than 1,000 individuals had had their health card number validated using the new system.

We have had discussions with the Ministry and have made recommendations for improvement. In its responses to our recommendations, the Ministry stated that it was making progress in addressing our concerns.

DETAILED AUDIT OBSERVATIONS

PROGRAM FUNDING

Funding Based on Identified Needs

The need for community-based services in different parts of the province varies with the availability of other services in each region and the characteristics of each region's population–for example, the number and age of elderly people and people with disabilities, the severity of disabilities, and the level of support provided by family and friends.

In our *1998 Annual Report,* we noted that the Ministry, in the 1994/95 fiscal year, had introduced a formula for allocating new funding to different areas of the province. At that time, the Ministry recognized that many areas were receiving less than an equitable share of existing funding, while others were receiving much more. We recommended that to better ensure equitable funding and consistent access to services based on need, the Ministry should ensure that its funding formula takes into account specific service needs, ongoing demographic changes, and changes in the health care system. The Ministry indicated that it would continue working "toward eliminating the inequities in funding and differences in service levels" among service areas and would regularly review and validate the effectiveness of the funding formula.

In June 2002, a Community Funding Review Committee, with representation from various stakeholders, engaged a research organization to assess the current formula and to recommend possible improvements. The researchers proposed a funding formula that took into account the health and socio-economic characteristics of the population served by each Community Care Access Centre (CCAC) service area.

In 2003, the research organization reported that, based on information contained in a 1996/97 health survey, there were substantial differences between what it estimated was required by individual CCACs and the current funding levels. According to the researchers' formula, in the 1999/2000 fiscal year, 20 of the 43 CCAC areas were overfunded by more than 10%, while 15 were underfunded by more than 10%, based on local service needs. For example, the researchers estimated that for the 1999/2000 fiscal year, one CCAC that was receiving only $101 per capita should have been receiving $317 per capita. Another CCAC that was receiving $111 per capita should have been receiving only $56 per capita. The researchers also recommended that the Ministry update their analysis using the most current data on home care utilization and more current health survey data. The Community Funding Review Committee endorsed the research results, but we understand that the researchers' analysis has not been updated, nor has the Ministry decided how to best proceed in allocating funding based primarily on the needs of each region of the province.

One limitation of both the current funding formula and the researchers' formula is that both use CCAC service information to allocate funds for community support services. In our *1998 Annual Report*, we noted that the funding formula did not address the division of funds between CCACs and community support service (CSS) agencies. At that time the proportion of funds allocated to both groups varied significantly among different areas of the province. Since the services arranged by CCACs and those provided by CSS agencies (such as transportation assistance and Meals On Wheels) often serve different needs and are not interchangeable, large variances may indicate greater inequities in access to certain services among different areas of the province than what is indicated by the formula. For instance, in one area the CCAC received 69% of the funding, while in another area the CCAC received 90% of the funding. The remaining funds were allocated to CSS agencies. In response to a recommendation in our *1998 Annual Report*, the Ministry stated that the "major differences in the local split of funding between [CCACs and CSS agencies were] being addressed." At the time of our current audit, there were still significant differences among regions in the proportion of funding allocated to CCACs and CSS agencies.

Recommendation

To help ensure that people with similar needs living in different areas of the province have equitable access to a similar level of community-based services, the Ministry should ensure that:

- **funding is allocated based on assessed need, using current data; and**
- **the formula for allocating regional funding to Community Care Access Centres and to community support service agencies takes into account the need for different types of services.**

Ministry Response

The Ministry supports this recommendation and has modified its funding methodology to achieve the goals. Specifically, the funding formula was revised (in June 2004) to facilitate the equitable per capita distribution of funds between regions for 2004/05. The Modified Equity Funding Formula takes into account the factors that measure relative population needs—for example, population size, age, gender, rurality, and the level of service needs of individuals discharged from hospitals to home care.

As well, the most recent data from the Ontario Home Care Administration System, which includes 2003/04 utilization and population data, have been used for the most current funding allocation in 2004/05.

Cost Containment Measures—CCACs

From the 1997/98 fiscal year to the 2000/01 fiscal year, CCACs incurred deficits totalling approximately $118 million that ultimately had to be funded by the Ministry. In May 2001, the Ministry informed CCACs that funding for the 2001/02 fiscal year would be frozen at the 2000/01 levels. CCACs indicated that, as a result, reductions in services would be required to enable them to offset rate increases in their service provider contracts. One CCAC noted that, based on the result of a competitive bidding process, it was facing a 48% increase in the cost of each nursing visit over the term of its contract with the service provider.

The Ministry provided CCACs with guidelines for developing consistent and appropriate cost containment strategies to balance their budgets. The Ministry's regional offices stressed that cost containment must be based on individual client assessments and must be consistent with legislation and ministry policies. The *Long-Term Care Act* requires agencies to develop a plan of service for each of their clients. If a service is not immediately available, the client should be placed on a waiting list for that service. Once a plan is approved and the client begins receiving services, there is no provision for revising the plan due to financial constraints. The Act permits revisions only when an individual's requirements change.

In reviewing regional correspondence, we noted that several strategies that were proposed appeared to contradict ministry guidelines. For example, while the guidelines prohibit arbitrary reductions in services, several CCACs proposed initiatives that included across-the-board service reductions. We noted that from 2000/01 to 2002/03, the number of homemaking hours and nursing visits decreased by 30% and 22%, respectively. The Ministry indicated that it had analyzed the impact of these decisions by reviewing submissions to the Health Services Review and Appeals Board. However, this would not be sufficient to determine the impact of service reductions on the recipients of community services or on other parts of the health care system, such as long-term-care facilities and hospitals. The magnitude of such decreases in service levels warranted more formal follow-up by the Ministry.

Recommendation

To help ensure that the impact of any future cost containment or enhancement strategies employed by Community Care Access Centres can be assessed, the Ministry should:

- **monitor the extent of significant changes in services provided to individuals to ensure that the changes are being made in accordance with legislation and ministry guidelines; and**
- **formally evaluate the impact of significant cost containment initiatives on service recipients and on other parts of the health care system.**

Ministry Response

In 2003/04, the Ministry informed Community Care Access Centres (CCACs) that service reduction decisions can only be based on appropriate reassessment of client needs. Common assessment tools and schedules for regular reassessment will assist CCACs in the future to provide appropriate services to clients.

Waiting Lists

Properly maintained and monitored waiting lists for services are one source of information to assist the Ministry in determining whether access to services is equitable. However, the Ministry has limited information on waiting lists and waiting times. While information received by the Ministry from CCACs was more recent, we had concerns as to its consistency and accuracy.

The *Long-Term Care Act* gives the Minister the authority to make regulations governing waiting lists and rules for ranking applicants for services. However, at the time of our audit, there were no regulations in place addressing these matters, and the Ministry did not have comprehensive guidelines on waiting list management that could be used by all CCACs. Accordingly, since there may be inconsistencies among CCACs because individual CCACs set their own criteria for placing clients on waiting lists, the information provided to the Ministry may not be comparable. For example, correspondence from one regional office to a CCAC indicated that clients should be placed on a waiting list for a service only if the service can be provided within a week or two; otherwise, the individual should not be included on the waiting list. Such an approach could significantly understate the number of people actually needing services.

Although the Ministry did periodically summarize waiting lists, there was no information regarding the length of time individuals had spent on either current or past waiting lists, or on average waiting times for each type of service historically. According to information collected by the Ministry, some regions had significant numbers of individuals waiting for physiotherapy, occupational therapy, and speech therapy as at March 31, 2003.

Regional Waiting Lists by Service Type, as at March 31, 2003

Service Type	Region							Total
	1	2	3	4	5	6	7	
homemaking	17	0	0	31	9	37	0	**94**
nursing	0	0	0	50	1	57	0	**108**
physiotherapy	121	157	415	666	423	197	51	**2,030**
occupational therapy	1,596	350	1,910	705	1,115	395	131	**6,202**
social work	92	3	90	63	52	18	11	**329**
speech therapy	1,176	552	1,379	269	852	132	239	**4,599**
dietetic services	44	7	44	73	47	34	2	**251**
Total on waiting lists	**3,046**	**1,069**	**3,838**	**1,857**	**2,499**	**870**	**434**	**13,613**

Source of data: MOHLTC Community Services System–March 31, 2003

We reviewed the waiting lists for CCAC services for the previous two years and found consistent trends. We also noted that in some regions, one or two CCACs accounted for most of the region's waiting list. Therefore, difficulties in accessing services may not apply to the entire region. For example, one out of the four CCACs in one region accounted for 45% of its region's waiting list. We believe that reliable information of this nature would be extremely useful to the Ministry as input for its funding allocation process, both on a regional basis and for individual CCACs within each region.

Recommendation

To help ensure that access to community-based services is provided on an equitable basis across the province, the Ministry should:

- **establish consistent policies and procedures for maintaining waiting lists; and**
- **collect and analyze waiting list and waiting time information and use that information as part of its funding allocation process.**

Ministry Response

The Ministry supports these comments and has made significant progress in implementing the recommendation.

Beginning in 2003/04, the Ministry has developed draft policies and procedures for maintaining waiting lists that have been communicated to Community Care Access Centres through regional offices. The Ministry collected waiting list information and used that information to provide one-time funding.

Acquisition of Services by Community Care Access Centres

In 1996, the then Minister announced that CCACs would be required to acquire nursing, homemaking, personal support, and other services through a competitive process based on the highest quality at the best price. In our *1998 Annual Report*, we recommended that the Ministry evaluate the implementation of the competitive process and that the Ministry develop and implement standardized methods that CCACs could use to assess whether the quality-of-service commitments made by successful bidders were actually being met.

During our current audit, we found that the Ministry still had not developed the necessary processes for assessing whether the quality-of-service requirements specified in the requests for proposals were being met, which would assist the Ministry in comparing the quality of services and the cost-effectiveness of processes among CCACs. However, we noted that independent research was being conducted, with ministry involvement, to evaluate the impact of the competitive process on the quality of community nursing services and on outcomes for clients. It is also important for the Ministry to monitor the impact of the competitive acquisition process on the supply of services. For instance, if a CCAC in a particular region contracts with only one or two suppliers, doing so may reduce future competition, especially in areas where there are few suppliers.

Recommendation

To help ensure that the request-for-proposals process is meeting the Ministry's objective of acquiring high-quality services at the best price, the Ministry should:

- **obtain reliable information to enable it to assess not only the cost of the services being provided but also the quality of service; and**
- **monitor the overall impact on the supply of available service providers, particularly in areas where there are few suppliers.**

Ministry Response

The Ministry fully supports this recommendation and recognizes the need for assurance that Community Care Access Centres (CCACs) are providing high-quality services at the best price.

Request-for-proposals documents clearly define expected services, a reporting mechanism has been established for CCACs to monitor service provision, and the Ministry will be collecting specific qualitative and quantitative data related to service provision. The impact on the supply of available service providers will continue to be monitored by data collected on the number of exceptions to

the procurement process and the number of service refusals by service providers. Policies are in place that can address issues arising in areas where there are few suppliers.

COMMON ASSESSMENT TOOL

Since 1990, the Ministry has recognized the need for a common intake assessment process to ensure that individuals with similar needs are assessed as requiring the same level of service, regardless of where in Ontario they live. Data gathered using such a process could also be used to develop provincial standards for access and service delivery.

In 1997, the Ministry began testing a ministry-developed common assessment tool in five CCACs. The CCACs found that this tool had significant shortcomings, so in April 2001, the Ministry established an expert panel to select a standard assessment tool to meet CCAC requirements. The panel recommended the Resident Assessment Instrument–Home Care (RAI–HC), a comprehensive standardized tool for evaluating the needs and strengths of adults receiving community-based services.

The RAI–HC is being introduced for clients who require services for longer than 59 days and who may eventually require admission to long-term-care facilities. A paper version of this assessment tool was required to enable the Ministry to meet its commitment to implement a standard assessment tool for such clients by December 2003. The estimated three-year cost to acquire and implement the paper version, and to train CCAC case managers in its use, was $15 million, and the Ministry had completed the project within that budget by the end of the 2003/04 fiscal year.

In July 2003, the Management Board of Cabinet approved the acquisition of the RAI–HC software for CCACs. In February 2004, the common assessment tool software contract was signed, with an approved cost of approximately $3.7 million over four years. Upon full implementation of the software in CCACs, the paper version will no longer be required.

Also in February 2004, ministry staff advised us that a module for clients who require services for up to 59 days would soon be tested in several CCACs and that the Ministry was developing a project plan for this module, including a time frame for its implementation over two years.

Progress is being made on the implementation of standardized province-wide intake and assessment tools. However, it is critical that the Ministry have the necessary system and regional-office oversight mechanisms in place to ensure that the automated tools are applied consistently and are effective in providing equitable access to and consistent levels of service.

Recommendation

To help ensure that client care needs are assessed in a consistent manner across the province, the Ministry should monitor the effectiveness of the common assessment tool in providing consistent levels of service for similar clients across the province.

Ministry Response

The Ministry recognizes the importance of this recommendation and has taken steps to ensure that by the end of 2004/05 full implementation of the Resident Assessment Instrument–Home Care software (for adult long-stay clients) for all Community Care Access Centres will be completed.

The development of triage and short-stay tools (for adult short-stay clients) will begin implementation in winter 2004/05.

MONITORING OF CCACs AND CSS AGENCIES

Service Agreements and Financial Reporting

The Ministry requires three types of reports from CCACs and CSS agencies:

- Annual service agreements consist of a legal agreement, a service plan, and a budget.
- Quarterly financial and statistical reports, submitted to the Ministry's regional offices, provide information that is needed to monitor the services actually provided and the actual expenditures.
- Annual reconciliation reports (ARRs), including audited financial statements, are to be submitted to the regional offices within three months after year-end.

For the 2001/02 and 2002/03 fiscal years, we found that all three of the regional offices we visited had adequate processes for monitoring the receipt of CCACs' and CSS agencies' service plans, budgets, and ARRs. However, we also noted that although budgets were submitted in a timely manner, regional review and approval were not timely. For example, the CCACs and the CSS agencies received approvals for their 2002/03 budgets only in January 2003, nine months into the fiscal year. As well, the Ministry had not established expected time frames for regional reviews of ARRs and audited financial statements.

Recommendation

To help ensure that the funding and reconciliation processes promote timely and consistent monitoring and evaluation of an agency's use of resources, the Ministry should develop performance standards for the regional processing of annual reconciliation reports and expedite the review and approval of annual budgets.

Ministry Response

The Ministry has been and will continue working towards effective monitoring and evaluation of agency resources.

Regional financial staff review annual reconciliation reports submitted by Community Care Access Centres. Regional staff use the Budget Analysis and Review Tool to review and approve their annual budgets in an expedited manner.

Monitoring of Service Providers

The *Long-Term Care Act* requires that agencies approved under the Act establish processes for receiving and reviewing complaints from service recipients. The Ministry currently requires that annual service submissions from CCACs and CSS agencies contain a description of their complaint handling processes and quality management policies and processes.

In our *1998 Annual Report*, we noted that the Ministry's regional offices did not have a system to record the receipt, details, and status of complaints received concerning community services. The Ministry indicated it would develop a formal process for the consistent recording and disposition of complaints received. The Ministry also stated that it would require that CCACs report statistical information on the number, type, and disposition of client complaints. Other agencies funded to deliver community services would be required to inform their clients of the process for making a complaint and would be required to report similar data.

In our current audit, apart from some written complaints that were on file, we found that two of the three regions we visited still did not have a system to monitor the receipt of or track the status of complaints that were received.

In both our 1998 audit and current audit, we noted that regional offices had not formally reviewed the adequacy of complaint processes. Moreover, in December 2000, consultants engaged by the Ministry found variations in the definition of complaints, and approaches to tracking complaints made it difficult to determine the number and types of complaints received by CCACs.

In April 2003, the Ministry released a draft complaints policy for community support services agencies that requires these agencies to promptly report serious incidents and continuous issues to the Ministry's regional offices. Agencies would also be required to report complaint information to the Ministry annually, including trends in complaints received, plans to resolve complaints, and how trends in complaints have increased or decreased. However, the policy did not include a requirement that CCACs routinely report on the number, type, and resolution of the complaints they received.

The *Long-Term Care Act* also permits the Minister of Health and Long-Term Care to appoint program supervisors to inspect the business premises of a community service provider, as well as premises where community services are provided. Inspections are a means of assessing the quality of services being provided and compliance with provincial legislation and standards.

In our *1998 Annual Report*, we noted that the Ministry was not conducting inspections and had not developed procedures for conducting them. We also noted that similar programs in the United States and United Kingdom required visits to the people receiving care and services. We recommended that the Ministry develop appropriate inspection procedures and conduct periodic inspections of agencies. However, in our current audit we found that the three regional offices we visited were not conducting periodic inspections of CCACs or CSS services, and, although CCAC staff were making informal visits to agencies, these were not always documented.

Recommendation

To help ensure that clients are receiving effective and high-quality community services, the Ministry should:

- **develop a formal process that records the receipt and resolution of all complaints at regional offices;**
- **monitor the complaints processes at Community Care Access Centres (CCACs) and community support service agencies to ensure consistency;**
- **require that CCACs and other community service agencies periodically submit summary information on the number and types of complaints they have received and their resolutions; and**
- **develop a risk-based process for conducting periodic inspections of service providers and visits to selected clients.**

Ministry Response

The Ministry fully supports this recommendation and has made significant progress in achieving it.

Community Care Access Centres (CCACs) have complaints processes in place as required by the* Long-Term Care Act. *The Ministry has instructed CCACs to

advise regional offices of unresolved complaints, and an improved complaint monitoring process is being developed.

In April 2004, the Ministry implemented a complaint policy for community support services that establishes a consistent definition of a complaint and requires that agencies advise clients of services, policies, the process for making a complaint, and steps to appeal. A tracking process is also in place, and agencies are required to report on complaints in the annual service plan they submit to the regional office.

Quality services for CCAC clients are ensured by CCAC case managers who consult directly and visit with the service recipient and through the regular monitoring and evaluation of service contracts. The Ministry has developed an accountability framework for CCACs that sets service monitoring mechanisms, including quality satisfaction surveys, and also identifies performance objectives and outcomes for the provision of services.

INFORMATION SYSTEMS

Consistent data collection and reliable information systems are required to effectively manage large, diverse programs such as community-based services. The Ministry is responsible for ensuring that locally developed systems interface effectively with ministry systems. In our *1998 Annual Report*, we noted that CCACs require timely and accurate information to effectively manage their operations. At that time, the Ministry stated that it "recognize[d] the need to replace a substantially outdated information system that no longer [met] its requirements." The Ministry also stated that development and implementation of an appropriate system was a high priority.

The Ministry maintains a number of information systems that provide data to CCACs. The same two primary systems used by the Ministry at the time of our 1998 audit are still being relied on to monitor the costs and utilization of services. The Community Services Budget System (CSBS) collects financial and operational statistics from quarterly reports submitted by CCACs and CSS agencies, but does not contain information about the individuals who received the services. The Ontario Home Care Administration System (OHCAS) receives data submitted by the CCACs relating to service utilization, but also contains no recipient-specific cost information.

Common Information System for CCACs

In 1998, the Ministry established a CCAC Information Management System Council to introduce common technology at all CCACs before implementing a common information system known as the Services Management System (SMS). In 1999, the Council was replaced by Community Care Connects! (C3), a joint project team comprising the Ministry and representatives from the CCACs, which has responsibility for developing the new system.

In 1999, an independent review of the SMS development process noted technical problems that indicated that the SMS would not meet the CCACs' business requirements. As a result, in 2000, the Ministry began developing an Integrated Management System (IMS) to replace the SMS, which had cost approximately $10 million before its development was stopped. One of the objectives of the IMS was to "replace the existing patchwork of information systems with one that is consistent and appropriate for all CCACs." The IMS was to comprise a number of interrelated software modules, including modules for care management, business administration, contract management, information and referral, and financial reporting and analysis. The IMS was to be developed and implemented in phases.

In December 2001, a consultant reviewed the IMS project and made recommendations aimed at improving the project's governance, budgeting, planning, and delivery. A number of the consultant's observations related to the efficient and effective development and implementation of the IMS project, and many of the recommendations relating to governance and funding were similar to those that had been raised in the 1999 evaluation of the SMS. For instance, the reviews of both the SMS and the IMS noted that no effective project team structure existed, that the team consisted primarily of private contractors, and that neither the Ministry nor one private-sector firm had full knowledge of or control over the project. In fact, the consultant who reviewed the IMS project recommended that non-critical project activities be placed on hold until an effective governance structure could be introduced.

Seventeen months later, in May 2003, an executive lead for the C3 project was hired. However, at the time of our audit, action on the review's remaining recommendations (such as developing a business case and a long-term plan) was still outstanding. We noted that, with ministry approval, some CCACs had decided to implement their own systems to meet their immediate needs. For instance:

- In February 2003, five CCACs launched a project to competitively acquire a waiting list management system to assist in the allocation of long-term-care-facility beds.
- One CCAC received ministry approval to tender for the development of a $2.2 million integrated case management system to improve the efficiency of its case managers and thereby to save approximately $1 million a year. In its request to use part of its operating surplus to fund the new system, the CCAC indicated that it could not wait the estimated three years for the Ministry to develop and implement a case management system.

Recommendation

To help ensure that the new Integrated Management System will provide appropriate information to both the Ministry and Community Care Access Centres (CCACs) for planning, monitoring, and decision-making, the Ministry should:

- **implement effective project management controls; and**
- **knowledgeably monitor whether the ongoing development, both at the Ministry level and at the CCACs, is meeting planned implementation goals.**

Ministry Response

The Ministry has been and will continue working towards effective information-gathering and appropriate monitoring controls for the new Integrated Management System.

Since 2001, new structures have been implemented to address project organization and governance to ensure appropriate business and I&IT leadership on the project.

In August 2002, the Ministry formed a C3 Executive Committee to provide high-level oversight to ensure compliance with ministry procedures and proper accountability for ministry funding.

Continuing Care e-Health Council formed the CCAC Subcommittee to give tactical direction to the project. In addition, steering committees were formed to guide specific sub-projects, including:

- ***Financial and Statistical Management System (FSMS) Request for Proposal Development and Evaluation;***
- ***Assessment Software RFP Development and Evaluation; and***
- ***FSMS Implementation and Assessment Software Implementation.***

Current projects, including the FSMS Implementation and the Assessment Software Implementation, are managed using a comprehensive set of project management procedures. These are designed to maintain tight control of project costs, deliverables, scope changes, issues, and risks, in accordance with the Human Services I&IT Cluster's Best Practices for Project Management.

Business Case and Implementation Plan

In our review of the development of the IMS project, we requested a copy of the approved business plan, including estimated costs. The Ministry's "Business Area Analysis" (BAA) report provided an overview of the key CCAC business and system requirements and recommended that the Ministry build the IMS project incrementally using a combination of packaged and custom software. However, the BAA did not

contain a detailed implementation plan and did not outline the anticipated costs of and priorities for implementing the various software modules.

Given this project's size and complexity, we would have expected that a detailed business plan (including estimated costs, specific deliverables, implementation plans, and rollout time frames) would have been developed for senior ministry and Management Board of Cabinet approval.

The processes required to approve the acquisition of information technology are set out in the policies and directives of the Management Board of Cabinet and the Office of the Corporate Chief Information Officer. Management Board of Cabinet approval is required when the technology's expected cost is more than $1 million. In 1998, the Board approved funding for developing and implementing the SMS project. Subsequent ministry correspondence with Management Board indicated that the development and implementation of the IMS would begin with the $44.5 million remaining in the original three-year SMS budget.

In a September 2002 submission to the Management Board of Cabinet, the Ministry indicated that over the next three years, it would require a total of approximately $90 million to implement and maintain the approved IMS modules. As of March 31, 2003, the Ministry reported expenditures totalling approximately $65 million on the IMS project and $10.5 million for maintaining current systems. Expenditures on the IMS project included the costs for leasing 5,500 computers for CCACs, servers, routers, firewalls, telecommunication services, and staffing. According to the Ministry this accounted for approximately $38 million of the $65 million spent. Other costs included system development and development of the common assessment tool. Although periodic status reports were made to the Management Board of Cabinet, the Ministry was unable to provide us with specific Management Board of Cabinet approval for the IMS project as a whole before commencement of the project.

Recommendation

In future, to help ensure that information systems of the magnitude and complexity of the Integrated Management System are developed and implemented in an efficient and economical manner, the Ministry should:

- **ensure that all business requirements are defined in detail and reflected in project deliverables;**
- **prepare a proper business case containing estimated costs for developing, implementing, and maintaining the system; and**
- **obtain appropriate approval for the project's funding in advance of committing funds.**

Ministry Response

The Ministry recognizes and supports the need for the development of appropriate business cases and receipt of proper approvals.

However, it should be pointed out that the Ministry has viewed the Integrated Management System (IMS) as a series of multiple projects that should be executed in a phased plan. Approvals were sought and received for specific components instead of a blanket approval. The reason for this was the Ministry's requirement to be able to respond to potential changes in the Ministry's priorities over the course of a multi-year time frame.

Measures have also been taken to ensure that projects proceed only on the strength of approved business cases and align with long-term plans. Management Board submissions, which included a full perspective of the phased IMS, implementation plans, and updates on progress, have been prepared and approved for the Financial and Statistical Management System and Assessment projects.

Requests for proposals to supply components of the IMS were conducted in conformity with the Inter-provincial Agreement on Open Procurement.

Implementation of *Guidelines for Management Information Systems*

In April 2003, the Ministry mandated that all CCACs were to collect and report financial and statistical information using the *Guidelines for Management Information Systems in Canadian Health Service Organizations* (MIS Guidelines), "a set of national standards for gathering and processing data, and reporting financial and statistical data on the day-to-day operations of a health service organization" that also "provide a framework for integrating clinical, financial and statistical data when service recipient costing is done."

Implementing the MIS Guidelines' standard chart of accounts and definitions will allow for better comparisons between agencies. To meet this standard, the Ministry and the CCACs agreed to implement a comprehensive Financial and Statistical Management System (FSMS) as part of the Integrated Management System.

In January 2003, the Management Board of Cabinet approved the issuance of a request for proposals to acquire a comprehensive FSMS for CCACs. The successful vendor quoted a price of $2.54 million for the base MIS modules and $1.53 million for the enhanced FSMS modules. In May 2003, the Management Board of Cabinet approved the implementation of the FSMS's base MIS modules but not the enhanced modules. Implementation in CCACs is expected to be complete in June 2004, after which those modules could be provided to large community support service agencies. Doing so would help provide comparable unit costs for similar services provided.

While CCACs have expressed a need for the enhanced FSMS modules, which include case costing and utilization, budgeting and forecasting, and human resources scheduling, acquisition is dependent on approval and available funding.

Recommendation

To assist both the Ministry and Community Care Access Centres in better managing budgets and resources, the Ministry should assess the benefits of implementing:

- **the enhanced modules of the Financial and Statistical Management System (FSMS); and**
- **the FSMS in larger community support service agencies.**

Ministry Response

The Ministry supports this recommendation and will continue to assess the benefits of implementing the enhanced modules of the Financial and Statistical Management System (FSMS).

The Ministry's plans for implementing the enhanced modules of the FSMS include work to assess the benefits on a location-by-location basis and a commitment to proceed only in the areas where it is required to do so.

The Ministry intends to continue to use the Management Information System (MIS) guidelines. The Ministry anticipates that by 2006, MIS will begin including information from the larger community support service agencies, subject to approvals. Using common reporting guidelines across all sectors will provide better indicators and result in better management of budgets and resources.

ELIGIBILITY FOR COMMUNITY-BASED SERVICES

To be eligible for the professional, personal support, and homemaking services provided through a CCAC, an individual must have a valid Ontario Health Insurance Plan (OHIP) card (health card). In 1998, we noted that CCACs were not routinely checking this requirement. The Ministry responded that it would reinforce with CCACs that a process must be in place to ensure that health card numbers are validated for individuals receiving in-home services.

To help CCACs validate their clients' eligibility, the Ministry provided CCACs with access to a dial-in verification system. During our current audit, we requested a summary from the Ministry of the number of times each CCAC accessed the dial-in verification system from April 1, 2001 to March 31, 2003. According to this summary, 17 of the 43 CCACs had never used the system to validate any health card numbers during the two-year period, while eight had validated fewer than 100 numbers each.

During the same period, more than 250,000 individuals had received community-based services from these 25 CCACs.

Recommendation

To help ensure that community-based services are provided only to eligible individuals, the Ministry should ensure that Community Care Access Centres are verifying whether individuals receiving services are covered by the Ontario Health Insurance Plan.

Ministry Response

Most clients are referred to Community Care Access Centres (CCACs) by hospitals and physicians. Therefore, the Ministry believes that the actual number of clients ineligible for services as a result of a lack of coverage by the Ontario Health Insurance Plan is very small. The Ministry will remind CCACs of the need to verify health card numbers before services are provided to individuals.

ACCOUNTABILITY AND PERFORMANCE REPORTING

Accountability

The Management Board of Cabinet, through its directives, provides guidance to ministries on developing accountability frameworks with provincially funded agencies. An accountability framework helps ensure that value for money is received for grants made, by defining expectations, monitoring and reporting on performance, and taking action where expectations are not being met.

In 2001, the government introduced the *Community Care Access Corporations Act* with the intent of strengthening the governance and accountability of CCACs. Since 2001, the Ministry has also begun a number of initiatives aimed at improving CCAC accountability, consistency, and co-ordination, including:

- A standard Memorandum of Understanding (MOU), setting out the CCACs' financial, operational, administrative, and reporting requirements, including performance measures. By the end of our audit, all CCACs established under the Act had signed the new MOUs.
- A standard format for CCACs to use in developing their annual business plans, including specific performance measures and reporting requirements.

- A draft policy manual setting out the legislative and regulatory requirements and policy framework to be followed by CCACs. According to ministry staff, the manual was scheduled to be implemented in fall 2004.

Under the *Long-Term Care Act*, the Minister of Health and Long-Term Care may approve agencies to provide community services if the Minister is satisfied that with financial assistance, the agency will be financially capable of providing the required service and will be operated in compliance with the requirements in the Act's Bill of Rights and with competency, honesty, integrity, and concern for the health, safety, and well-being of the persons receiving the service.

The Minister, by regulation under the *Community Care Access Corporations Act*, has designated CCACs as approved agencies under the *Long-Term Care Act*. CSS agencies have never been formally designated as such, but according to the Ministry's Legal Branch, they are legally considered "approved agencies" because they receive funding from the Ministry to provide services under the *Long-Term Care Act*. Despite this position, the Ministry has not complied with the Act's provision requiring, before approval, that the Ministry has satisfied itself that each of these agencies are operating in compliance with the Act.

We also noted that some CSS agencies were providing services, such as Meals On Wheels, that may have been partly or fully paid for by service recipients. This practice is contrary to the *Long-Term Care Act,* which does not permit payment for services unless specified in regulations, and no regulation has been passed to address this issue.

Recommendation

To ensure compliance with the *Long-Term Care Act*, the Ministry, before designating a community support service (CSS) agency as an approved agency under the Act, should assess whether the agency can comply with the relevant provisions of the Act.

If CSS agencies are to be permitted to charge fees for certain services, the Ministry should make the necessary changes to the regulations under the Act.

Ministry Response

The Ministry recognizes the need for community support service (CSS) agencies to be fully compliant with the Act. Monitoring and review of annual service agreements ensures that all providers meet the criteria established under the Act.

The Ministry also supports the recommendation that changes to the regulations are required to permit CSS agencies to charge for services. Preliminary work was completed in 2003/04 outlining potential regulation changes to allow for CSS agencies to charge a fee for their service.

Performance Measurement and Reporting

Performance indicators provide a meaningful method for measuring and reporting on progress in achieving objectives. Good performance reporting should include the following attributes: clear goals and objectives; complete and relevant performance measures; appropriate standards and targets for measuring results; reliable systems for gathering the necessary information; and a reporting mechanism for regularly communicating accomplishments and areas requiring corrective action. Information of this nature would enable the Ministry to make more informed decisions about funding and other matters.

Although individual CCACs publish annual reports, the lack of key performance indicators and benchmarks limits the ability of the Ministry and the CCACs to compare performance between CCACs. The U.S. Medicare program has implemented home health quality measures in nine states and is committed to implementing such processes nationwide. Besides being a useful management tool, such measures provide the public with comparable information on the quality of care provided by individual federally funded home care agencies.

In 1999, the Ministry and CCACs began researching the development of service standards and performance measures. Although this project was terminated in 2001, when CCACs were made statutory corporations, ministry staff informed us that performance measures will be incorporated into CCAC business plans and that these measures will be reported on in the CCACs' annual reports.

For services provided by CSS agencies, measuring and reporting on the services rendered and the cost thereof is left up to the individual agencies. However, to date there has been little reporting. In fact, the Ministry cannot determine how many individuals receive services.

Recommendation

To better ensure that community-based services are provided in a consistent, equitable, and cost-effective manner, the Ministry should:

- **develop key performance measures and targets for all programs; and**
- **ensure that appropriate information is gathered and that the right information is reported to enable management to monitor services provided and the costs thereof.**

Ministry Response

The Ministry has taken action to ensure this recommendation is met.

Key performance measures for Community Care Access Centres were established in 2002/03. The Ministry will continue to refine these measures.

The Ministry will move towards implementing a balanced scorecard that looks at key indicators related to client satisfaction/appropriate setting, capacity/ access, system integration, and accountability.

TRAINING AND SCREENING WORKERS

Training and Qualifications

In May 1997, the ministries of Health and Long-Term Care and Education approved a curriculum for the Personal Support Worker (PSW) Training Program, a program aimed at providing standard training. In 1999, the Ministry of Health and Long-Term Care introduced the Personal Support Worker Bridging Program, which made available $10 million per year over five years to CCAC service provider agencies to offer training to their home care workers (on a voluntary basis) so that the workers would meet PSW Training Program requirements. Employees of long-term-care facilities and other CSS agencies were not eligible for this funding.

In 2000, a committee representing the homemaking industry, educators, and the Ministry recommended evaluating the implementation of the PSW Training Program. Although terms of reference were developed for hiring a consultant to evaluate the Training Program's success in meeting its mandate, evaluate the current curricula, and identify any strengths and weaknesses in the program, the evaluation was never undertaken. In 2001, the Bridging Program was extended to all community support agencies.

During our audit, we learned that service provider agencies were concerned that schools appeared to be interpreting the PSW curriculum differently. Several agencies reported instances where graduates lacked the necessary skills to provide services to clients. Given that the PSW Training Program has been underway for five years, an evaluation of the program's success is warranted.

During our audit we also noted that regional offices were inconsistently applying the funding eligibility rules. For example, while one region permitted CSS agencies to use surplus funds from the Bridging Program for other home care training for their workers, other regions requested that any surplus funds be returned. However, funding for the Bridging Program ceased at the end of the 2002/03 fiscal year.

Recommendation

To help determine whether the Personal Support Worker (PSW) Training Program is a cost-effective approach for ensuring that home care workers have the necessary training, the Ministry should:

- **evaluate whether the PSW Training Program is meeting its objectives; and**

- **work with the Ministry of Education to ensure that the Training Program's curriculum meets the sector's needs and is being implemented in a consistent manner by all training institutions.**

Ministry Response

The Ministry agrees with the recommendation and will work with both the Ministry of Training, Colleges and Universities and the Ministry of Education to ensure the Personal Support Worker Training Program curriculum meets the sector's needs.

Screening of Employees Providing Care

Individuals who provide community-based services frequently have direct access to potentially vulnerable adults and their property. In our *1998 Annual Report*, we recommended that the Ministry should ensure that community-based service agencies appropriately screen all workers who provide care. Proper screening would help determine whether there are any reasons that a personal support worker should not be hired. In January 2000, a working group established by the Ministry developed a draft guideline on screening personal support workers.

In April 2003, the Ministry issued draft guidelines to the regional offices and indicated that CCACs and CSS agencies would be expected to follow these guidelines in screening new staff and to carry out ongoing screening of existing staff. We will continue to monitor the Ministry's progress in ensuring that appropriate procedures are in place and are being followed to ensure that personal care workers have been appropriately screened.