

Long-Term Care Community Based Services Activity

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The Long-Term Care Community Based Services Activity provides funding for homemaking and professional services for people at home who would otherwise need to go to, or stay longer in, hospitals or long-term care facilities. Funding is also provided to community support service agencies that assist frail elderly people and people with physical disabilities to live as independently as possible in their own homes. The Ministry of Health's Long-Term Care Division, consisting of a head office and five regional offices, is responsible for developing and implementing policies that facilitate the delivery of these services.

In January 1996, as part of the reform of long-term care, the Minister of Health announced that the existing 38 Home Care Programs, which arranged nursing visits and homemaking services, and 36 Placement Coordination Services, which managed admissions into long-term care facilities, would be consolidated into 43 Community Care Access Centres (CCACs).

CCACs, which became operational during 1997, are not-for-profit corporations governed by boards of directors. Membership in a CCAC is open to all residents in the community it serves. CCACs arrange for homemaking and professional services for eligible people in the communities they serve. CCACs contract for these services with both profit and not-for-profit providers. The Ministry is phasing in a requirement that CCACs use a competitive process to obtain these services. CCACs also arrange admissions into long-term care facilities.

The table below provides examples of the types of services accessed through both CCACs and community support service agencies.

Examples of Ministry-Funded Services

Services accessed through CCACs and purchased on behalf of service recipients:	Services accessed through and delivered by community support service agencies:
<ul style="list-style-type: none"> • Professional Services <ul style="list-style-type: none"> - Nursing - Occupational therapy - Physiotherapy - Social work 	<ul style="list-style-type: none"> • Meals-on-wheels • Transportation • Home maintenance and repair • Friendly visits • Security checks
<ul style="list-style-type: none"> • Homemaking Services <ul style="list-style-type: none"> - Housecleaning - Laundry - Shopping, banking, paying bills - Preparing meals 	
<ul style="list-style-type: none"> • Personal Support Services <ul style="list-style-type: none"> - Assistance with daily living, for example, personal hygiene 	

Source: Ministry of Health

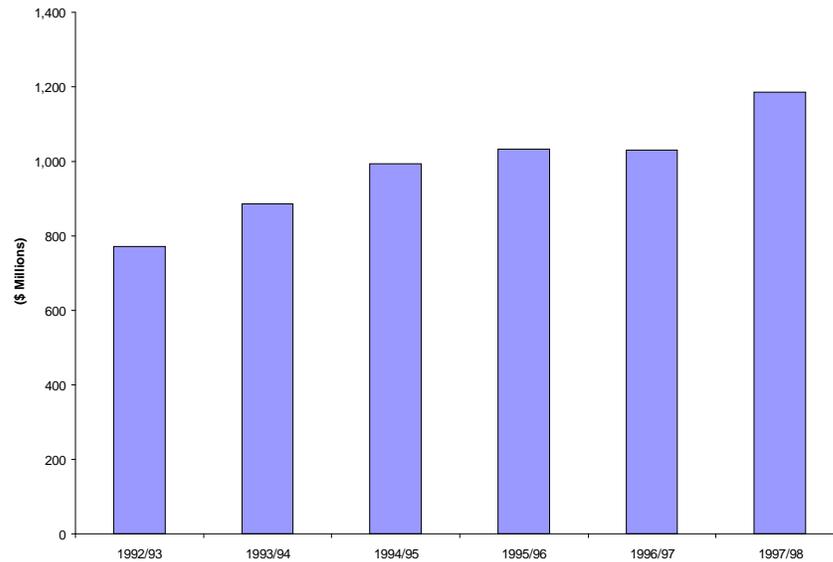
CCACs and community support service agencies are accountable to the Ministry through standard service agreements. These agreements include a service plan and budget that specify the type and volume of services to be provided for the funding received from the Ministry.

The *Long-Term Care Act* is intended to govern long-term care community services. Most of the Act's provisions were proclaimed into law in March 1995. At the time of our audit, the Act had still not been implemented because the necessary regulations had not yet been made. In the interim, the Ministry relies on predecessor legislation, which has not yet been repealed, and the service agreements it negotiates with CCACs and community support service agencies.

In the 1997/98 fiscal year, the Ministry provided approximately \$1.2 billion in funding for the Activity. Funding for the Activity has increased significantly over the past five years. This trend is expected to continue. On April 29, 1998, the Minister of Health announced that funding for these services will increase by \$551 million over the next eight years.

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Long-Term Care Community Based Service Expenditures



Source: Ministry of Health

OBJECTIVES AND SCOPE

The objectives of our audit of the Community Based Services Activity were to assess whether the Ministry had adequate procedures in place to:

- measure and report on the effectiveness of the Activity;
- ensure compliance with applicable legislation and ministry policies; and
- ensure resources were used with due regard for economy and efficiency.

Our audit was performed in accordance with the 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. Prior to the commencement of our audit, we identified the audit criteria that would be used to address our audit objectives. These were reviewed and accepted by the senior management of the Long-Term Care Division.

In conducting our audit, we reviewed and analyzed program policies and procedures; interviewed ministry staff and outside experts in the home care field; reviewed relevant literature; and researched the delivery of home care programs in other jurisdictions. We also reviewed and relied on relevant work performed by the Municipal Audit Bureau and the Ministry's Audit Branch. Our audit was substantially completed in April 1998.

OVERALL AUDIT CONCLUSIONS

The Ministry was in the process of implementing and developing a number of initiatives to improve its ability to effectively monitor service delivery. These included the development of service agreements and a standard assessment instrument to assess individual service requirements. However, the Ministry did not have adequate procedures in place to measure and report on the effectiveness of the Activity. Specifically, the Ministry needed to:

- measure and report on relevant performance indicators for Community Care Access Centres;
- develop appropriate procedures and timelines for the inspection of long-term care community service agencies;
- ensure that all complaints are properly investigated; and
- improve its management information systems to properly plan and manage service delivery.

While the Ministry generally had developed adequate procedures to ensure compliance with applicable legislation and ministry policies, there were a number of areas where procedures were not being followed. In particular, the Ministry needed to:

- ensure service agreements are received, reviewed and approved in a timely manner;
- establish adequate procedures for verifying that services paid for were actually provided and authorized; and
- introduce procedures to verify that recipients of services provided through CCACs have valid Ontario Health Insurance Plan numbers.

The Ministry has recognized that its procedures have not ensured that resources were used with due regard for economy and efficiency. Accordingly, the Ministry has taken action to decrease funding inequities and has introduced competitive acquisition processes. However, it still needed to:

- review and update the funding formula to ensure the distribution of funds is fair and equitable by measuring service needs;
- establish appropriate benchmarks to ensure that plans and budgets are equitable;
- evaluate the implementation of the recently introduced competitive acquisition process; and
- ensure that individuals providing personal support services are properly trained.

DETAILED AUDIT OBSERVATIONS

EFFECTIVENESS

COST-EFFECTIVENESS OF LONG-TERM CARE COMMUNITY SERVICES

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Research into the cost-effectiveness of long-term care community services could help the Ministry make decisions regarding health care practices that reduce costs while improving or maintaining the quality of care. For example, in a recent study, Saskatchewan's Health Research Commission reported that over 25% of the time spent in hospital by patients was unnecessary and that patients could receive health and other care at home for that time at 25% to 33% of the cost of hospital care. The Commission also found that substituting home care for the 25% of unnecessary hospital care did not affect health outcomes and did not shift burdens or costs to the patients' families.

Comparing the costs of long-term care community services with institutional care requires good information about the actual costs of those services. At the time of our audit, the Ministry did not have systems in place to provide this information.

The relative costs of providing care and services are an important consideration when establishing appropriate limits for care and services. For example, the Ministry's systems do not track the costs of services provided to individuals. This type of information could be used to prompt reviews of service strategies, which could result in meeting patient needs at a lower cost.

As well, adequate information on the performance of CCACs and other long-term care community services as well as the Long-Term Care Division of the Ministry is necessary for effective accountability. The Ministry's published 1997/98 Business Plan contains limited measures of performance for long-term care community services, namely, the number of CCACs that are fully operational and the number of individuals served by long-term care community services.

Recommendation

To assist it in making improvements to long-term care community services, the Ministry should develop a system to measure and report:

- **the costs of long-term care community services provided to individuals; and**
- **the relevant performance indicators for Community Care Access Centres.**

Ministry Response

The Ministry supports this recommendation. The current information system provides unit costs, but not by individual client. The new information system now under development to replace the existing, “outdated” systems will provide the necessary data on a client basis.

Historically, Home Care Programs were operated by autonomous agencies (in most cases Public Health Units) through what was essentially an “open-ended” funding system. Spending varied across the province, with some regions spending well above the provincial average for in-home services, while others were well below the average. Some Home Care Programs were spending four times as much as others on a per capita basis.

Community Care Access Centres (CCACs) are required to administer programs in a consistent manner to ensure fair and equitable access for all consumers no matter where they live in the province. CCACs must manage services within their budgets as set out in service agreements with the Ministry.

It is important to note that the CCAC system came into operation over 1997, with the last one starting January 1, 1998. Now that CCACs are fully operational, the Ministry can work with them through a consultative and collaborative process to ensure standardized performance measures and develop new performance measures where needed.

Ministry staff monitor each CCAC’s service plan and provide advice and assistance. In addition, division staff are now working with CCACs to develop best practice guidelines to support their efforts to operate within budget. This includes sharing examples of best practices and will involve developing benchmarks for provincial services.

INSPECTIONS OF LONG-TERM CARE COMMUNITY SERVICE AGENCIES

The *Long-Term Care Act* permits the Minister to appoint program supervisors to inspect premises where a long-term care community service is provided on the premises. Inspections are an important means of assessing the quality of care provided and determining whether provincial legislation and standards are being complied with. They can also be used to assess whether services are being delivered efficiently and effectively and whether value for money is being received.

We found during our audit that the Division was not conducting inspections of long-term care community service agencies and had not developed procedures for conducting inspections. While the Ministry’s Internal Audit Branch had developed procedures to conduct value for money audits with the assistance of division staff, no such audits have been performed since 1991.

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We contacted a number of other jurisdictions and found that inspections were being conducted in the United States and United Kingdom. Inspection procedures in both jurisdictions required visits to people receiving care and services. Also, at least one Canadian province conducts audits of its home care agencies that include interviews with people receiving care.

Long-term care community service agencies approved under the *Long-Term Care Act* are required to develop a quality management system for monitoring, evaluating and improving the quality of services. The Act also provides that regulations may be made governing quality management systems. If such regulations are made, inspections could theoretically be used to assess whether quality management systems are functioning to continually improve the quality of services.

Although the Act permits the appointment of program supervisors who can make home visits, it does not allow them to inspect any records dealing with quality management or quality improvement activities. This limits the Division's ability to effectively evaluate quality management activities and to verify the accuracy of information provided by quality management systems. In future, inspections will need to compensate for this restriction by more direct evaluation of the quality of the services provided.

Recommendation

To ensure that long-term care community service agencies are complying with provincial standards and providing quality services efficiently and effectively, the Ministry should:

- **develop appropriate inspection procedures and conduct periodic inspections of agencies; and**
- **investigate options to assess whether service agencies have successfully implemented quality management systems.**

Ministry Response

The Ministry agrees that more formal monitoring mechanisms and protocols for long-term care community service providers need to be developed. The Long-Term Care Division feels, however, that ministry monitoring should focus on agreed-upon outcome measures, not on day-to-day agency operations. The responsibility of local boards for overseeing their agencies' services will be reinforced.

It has been normal practice for ministry staff to visit community agencies at least once a year to review service requirements. The Ministry has developed two review tools for evaluation of service outcomes: the Community Care Access Centre Fact Finding Review and the Placement Coordination Services Review.

In 1998/99, the Ministry will work with the affected service providers to adapt and augment existing tools to provide a more standard approach for monitoring compliance with ministry program standards.

Boards of directors of community agencies are now required to monitor service quality in keeping with the provisions of their service agreements with the Ministry. To strengthen this requirement, the Ministry will require community agencies to carry out client consultation/surveys and report on the results in their service plans.

The Planning, Funding and Accountability Manual for long-term care community services will be revised to reflect the requirement of funded agencies to establish and maintain a quality management system for the delivery of community services.

COMPLAINT MONITORING

The *Long-Term Care Act* requires CCACs and other long-term care community service agencies to establish formal processes for receiving and reviewing complaints from service recipients. In addition, a person receiving long-term care community services has the right to be informed in writing of the procedures for initiating complaints about a community service agency.

We noted that regional offices had not formally reviewed the adequacy of the complaint resolution processes developed by long-term care community service agencies and had not requested statistical information on the number and type of complaints received or the timeliness of follow-ups. Information on complaints received could corroborate other evidence of service quality deficiencies and could assist in identifying areas for further investigation.

Complaints may also be made directly to the Ministry. Regional staff are required to review and investigate complaints and, where applicable, intervene on behalf of service recipients. During our audit, we found that regional offices did not have a system to record the receipt, status and details of complaints. In particular, we noted that:

- the process for recording and following up complaints was inconsistent. For example, while some incoming complaints were assigned to a program supervisor, others were sent to the community service agency for follow-up; and
- documentation of the results of complaint investigations varied among regional offices.

Recommendation

To ensure that action is taken to improve service, the Ministry should:

- **require Community Care Access Centres and other long-term care community service agencies to periodically submit statistical information on the number and types of complaints they have received and their resolutions; and**
- **develop a formal process to record the receipt and resolution of complaints.**

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Ministry Response

The Ministry will develop a formal process for the consistent recording and disposition of complaints received by the Division about long-term care community services.

Community Care Access Centres (CCACs) are currently required to have processes for dealing with complaints and appeals by clients. The Ministry will add a requirement for CCACs to report statistical information on the number, type and disposition of client complaints.

The Ministry will also require other agencies funded to deliver long-term care community services to inform clients of the process for making complaints about their services and to report similar data.

MANAGEMENT INFORMATION SYSTEMS

Consistent data collection and reliable information systems are required to effectively manage a program as large and diverse as the Long-Term Care Community Based Activity. The Ministry is responsible for establishing provincial guidelines for the development of local information systems to ensure an effective interface with ministry systems. At the time of our audit, the Ministry was supporting a number of different systems at both the CCAC and ministry levels.

MINISTRY INFORMATION SYSTEMS

The Ontario Home Care Administration System (OHCAS) and the Community Support Services Budgeting System (CSBS) are the primary systems available to the Division for monitoring the costs and utilization of long-term care community services.

OHCAS was originally designed for health insurance billing purposes and tracks caseload and utilization data, such as the number of nursing visits, but does not maintain recipient-specific cost information. The CSBS contains financial and service information but does not contain information about the individuals who received the services.

During our review of the information provided by these systems, we noted the following:

- The Division did not have adequate procedures to verify that CCACs submitted complete and accurate data on services provided.
- The Division did not periodically review OHCAS management reports to determine the reasonableness of error messages indicating situations such as services provided to an individual after the expiration of approvals or nursing hours exceeding approved limits.
- Initial financial and operational data recorded in the CSBS for the 1996/97 fiscal year were incomplete and inaccurate. As of March 1998, the Division was still in the process of correcting the data.

CCAC INFORMATION SYSTEMS

The main information systems used by CCACs to manage their caseloads are the Patient Management Index and the Client and Services Information System. These systems were previously used by the former Home Care Programs.

In February 1996, a consultant reported that the existing systems could not support the Division's future requirements due to outdated technology and lack of timely management reports, particularly in the area of case management. The primary recommendation was to replace the existing systems.

In 1996, the Ministry began developing the CCAC Information System Network to collect information from CCACs, hospitals and service providers to facilitate ministry planning and management. One of the initial goals of the project was to replace all existing CCAC systems before December 31, 1999. The January 1998 implementation plan stated that the new system was to be operational in 18 months. Specific completion dates for each milestone could not be established because they were dependent on obtaining approval to implement the system. However, approval to begin testing completed components of the system was delayed pending other ministry system decisions.

The Ministry has recognized the need for effective computer systems. Initiatives such as the common assessment instrument and the new funding formula depend on reliable information being generated by computer systems. The organizations providing community services annually process approximately 20 million transactions with expenditures exceeding \$1 billion. Accordingly, to effectively manage their operations, they require accurate and timely information to analyze trends in spending, caseloads and services provided.

Recommendation

To help ensure the efficient and effective delivery of long-term care community services and to provide information to properly plan and manage service delivery, the Ministry should develop:

- a plan with specific timeframes for implementing the Community Care Access Centre Information System Network; and
- procedures to verify that submitted data are complete and accurate.

Ministry Response

The Ministry recognizes the need to replace a substantially outdated information system that no longer meets its requirements. The Ministry has identified the Community Care Access Centre (CCAC) information system project as having a high priority for development and implementation. Early in 1998, the Ministry's Information System Division assumed lead responsibility for bringing this project to fruition.

A detailed implementation plan has now been completed outlining the development, production, installation and training components of the new system for each of the 43 CCACs.

This plan will be shared with the CCACs pending the completion of the Information Systems Division review of the project. This plan will then provide the basis for both internal and external communication on the status of the implementation of the new system and the detailed planning for its implementation in each CCAC.

COMPLIANCE

SERVICE AGREEMENTS AND FINANCIAL REPORTING

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Beginning in the 1995/96 fiscal year, Home Care Programs (HCPs) and their successors, the CCACs, were required to enter into annual service agreements with the Ministry. The service agreement consists of standard terms and conditions that establish the relationship with the Ministry regarding accountability, maintenance of records and compliance with legislation and ministry policies.

Annual service agreements require the submission of service plans and budgets. For each service provided, the package includes a description, planned service volumes, the number of clients to be served and the funding required. The service plan and budget provide the Ministry with the information necessary to approve funding.

In April 1997, the regional offices of the Long-Term Care Division were given the responsibility for administering the funding and monitoring the financial performance of the CCACs.

BUDGET APPROVAL PROCESS

Ministry policies and procedures for preparing service plans and budgets are contained in the *Planning, Funding and Accountability for Long-Term Care Community Services: Policies and Procedures Manual*. The manual provides long-term care community service agencies with uniform service definitions to be used when determining service costs. The definitions were intended to result in consistent reporting of service costs to allow the Division to perform comparisons of unit costs among agencies.

During our audit, we noted that regional offices used a number of analytical procedures to evaluate the reasonableness of long-term care community service agencies' service plans and budgets. While some regions compared an agency's unit cost per service and cost per client to the regional average, others compared unit costs and service trends to those of previous years.

Our audit of the Division's budget approval process at the regional offices revealed that:

- As of February 1998, the majority of the CCACs had not signed service agreements for their first year of operation, ending March 31, 1998.
- Over the past two years, HCP budgets were approved by the Ministry late in the fiscal year, or early in the next fiscal year. For example, budget approval letters for the year ending March 31, 1997 were sent to HCPs in April and May 1997.
- Weaknesses existed in the preparation of budgets, including the lack of budgeted unit costs for individual services such as case management or homemaking.

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- Only one of the three regional offices we visited had established benchmarks for evaluating the reasonableness of budgeted unit costs. However, the basis on which they were developed was not systematic or documented.

A consistent budget development process is necessary in order to confirm the reasonableness of agency services provided and to enable optimal planning by service agencies.

Recommendation

To help ensure that service plans and budgets are equitable and appropriate for each long-term care community service agency, the Ministry should:

- **set timeframes for signing service agreements and reviewing and approving budgets; and**
- **develop benchmarks for unit costs for each type of service.**

Ministry Response

The Ministry supports this recommendation and recognizes the need for timely approval of agency budgets using current information on unit costs.

With respect to the Community Care Access Centre (CCAC) service agreements for the 1997/98 fiscal year, there was some delay in getting them signed due to the time required to complete negotiations with CCAC representatives on an agreement format. Once consensus on format and content was reached, the agreements were signed.

Budget approvals for 1998/99 are expected much earlier, immediately following the announcement of 1998/99 funding levels. As a result of the fact-finding review process, and through ongoing work on best practices and benchmarks, both the quality of CCAC budgeting and the consistent recording of expenditures are expected to improve.

TIMELINESS OF REPORTING

CCACs (and formerly HCPs) are required to submit monthly and quarterly financial and operational reports. These reports provide the regional offices with information needed to monitor an agency's actual services and expenditures and compare them to the budget. Audited financial statements and an Annual Reconciliation Report (ARR) are to be submitted to the regional office within 90 days after year-end. These reports are reviewed by regional staff to ensure that funds were expended in accordance with the approved budget. Any unspent funding or ineligible expenditures are to be recovered.

During our audit, we reviewed the financial and program files for CCACs and the predecessor HCPs in three regions. Our review disclosed the following:

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- Regional offices did not monitor or record the dates on which financial statements and ARRAs were received.
- A significant number of financial statements and ARRAs for the 1996/97 fiscal year were more than six months overdue at the time of our fieldwork.
- Regional offices became responsible for HCPs at the time HCPs were being discontinued. Regional staff had to resolve financial settlement issues, which included recovering surpluses from HCPs that were no longer operating or receiving funding. As of April 1998, approximately \$10 million remained to be recovered from the year ending March 31, 1997.
- Audited financial statements were not required to include sufficiently detailed information for the Ministry to ensure expenditures were made in accordance with the approved budget. For example, most financial statements we reviewed provided consolidated costs rather than disclosing expenditures by type of service provided, such as nursing services.

Recommendation

To improve financial monitoring of service providers, the Ministry should:

- review the appropriateness of financial reporting requirements to ensure they require sufficiently detailed and comparable information; and
- ensure that Annual Reconciliation Reports and audited financial statements are received and reviewed on a timely basis.

The Ministry should also ensure the timely recovery of all surplus funds.

Ministry Response

Given the sizable budgets of the Community Care Access Centres (CCACs), the Ministry recognizes the need to review the appropriateness of the current Annual Reconciliation Reports and financial reporting protocols. The Ministry will explore the development of a new Annual Reconciliation Report for use with a broad range of funded agencies.

In recognition of the need to strengthen existing financial monitoring practices for CCACs, the Division has recently introduced new reporting requirements for CCACs commencing in the 1998/99 fiscal year. CCACs are required to report to the Division's regional offices actual expenditures and units of service on a monthly basis. These reports will indicate year-to-date information for the current year as well as for the previous year.

In addition, the Ministry will implement a corporate monitoring system to ensure a more timely submission of Annual Reconciliation Reports and more timely completion of reconciliations for recovery of surplus funds.

VERIFICATION OF SERVICES

The Ministry needs assurance that service recipients actually received the services intended for them and that the service volumes agencies report on the ARRs, such as nursing visits or homemaking hours, are accurate. We noted that service volumes reported in the ARRs regularly varied from those recorded in the Ontario Home Care Administration System. Some unexplained variances ranged from 40% to 100% for different services. In one instance, the differences in service volumes exceeded 200,000 service units (for example, hours or visits).

CCACs purchase most of the services they require from outside service providers. In recent fact-finding visits to CCACs that had reported deficits, division staff found that, because of inadequate systems, a number of CCACs could be paying for services they did not authorize. Procedures are needed to ensure services paid for were in fact received and properly authorized. For example, one possible procedure that might be used is to verify with a sample of service recipients that they did receive the services. At the same time, recipients could be asked whether they were satisfied with the services received. This information would assist the Division in assessing the quality of services.

Recommendation

The Ministry should establish procedures to verify on a test basis that long-term care community services were received and properly authorized.

Ministry Response

The information required to verify the actual delivery of services to a client is available in most situations. For example:

- professional service providers maintain clinical charts documenting the services that they provide to clients at each visit; and***
- homemaker providers, and some professional providers, ask clients to sign the workers' timesheets to verify that services have been provided.***

Community Care Access Centres (CCACs) have reconciliation processes in place to verify that the services that they are billed for have been authorized by CCAC case managers. In order to strengthen this practice for CCACs, the Ministry will require them to have provisions in their contracts with service providers to ensure that authorized services are delivered.

The processes that the community agencies/CCACs use to ensure that authorized services are actually received by clients will be re-examined and a standard, comprehensive approach will be explored.

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ELIGIBILITY

One of the purposes of the *Long-Term Care Act* is to promote equitable access to long-term care community services through the application of consistent eligibility criteria. We found that the Division was not clearly communicating to CCACs current eligibility criteria for community services. On our visits to regional offices, we found that agencies were not using consistent eligibility criteria for services such as homemaking.

The Division has recently developed draft regulations covering eligibility criteria for the various long-term care community services, which it plans to implement in October 1998. We will follow up on the implementation of these criteria at the time of our next cyclical audit of the Activity.

To be eligible for nursing and homemaking services arranged through a CCAC, a service recipient must also have a valid Ontario Health Insurance Plan (OHIP) health card. CCACs submit information to the Division's Ontario Home Care Administration System (OHCAS) when an individual first receives services. This information must include the person's name, age, sex and OHIP number. The Division informed us that it did not routinely check health card numbers against OHIP's Registered Person's Database (RPDB) to ensure their validity.

When we requested the Division to compare, for a recent period, the OHCAS information with the RPDB, OHCAS proved to be so incomplete and inaccurate that the two largest CCACs were requested to resubmit data to the Ministry. The results of the comparison indicated that there were errors in information for more than 10% of service recipients, including a significant number of recipients with invalid or expired OHIP numbers. Our discussions with division staff indicated that, in future, a valid health card number will be a requirement for most long-term care community services which receive ministry funding.

Recommendation

To better ensure that only eligible individuals receive long-term care community services, the Ministry should implement procedures to verify that service recipients have valid Ontario Health Insurance Plan numbers.

Ministry Response

Health card numbers are routinely validated when admissions to long-term care facilities are authorized by Community Care Access Centres (CCACs).

The Ministry will reinforce with CCACs that a process must be in place to ensure that health card numbers are validated for individuals receiving in-home services. This process will also be linked to the development of the new CCAC information system.

DISTRICT HEALTH COUNCIL LONG-TERM CARE PLANS

The Ministry's *Planning, Funding and Accountability for Long-Term Care Community Services: Policies and Procedures Manual* requires District Health Councils (DHCs) to

develop annual and multi-year, long-term care service plans. Each service plan is required to profile the community's long-term care needs and make recommendations to the Minister for improving service. Regional staff are responsible for receiving and reviewing the plans and coordinating the Ministry's responses to DHCs regarding the allocation of resources. Once ministerial approval is obtained, regional staff use the DHC plans to negotiate service agreements with long-term care community service agencies.

At the three regional offices we visited, we found that all DHCs had submitted annual and multi-year plans for the 1996/97 and 1997/98 fiscal years. At the time of our audit, the regional staff had reviewed all of the 1996/97 plans; however, there was no evidence in the files that the plans had received ministerial approval. Plans for the 1997/98 fiscal year, which had been received before April 1, 1997, had not been reviewed.

The extent of feedback that DHCs received also varied. In some regions, staff met with them to discuss their recommendations while in other regions DHCs were provided with draft responses. Many DHCs had expressed concerns to the Ministry about the delays in receiving responses to their recommendations, stating that the lack of responses forced them to complete new plans without knowing whether the previous year's recommendations had been accepted.

Regional staff informed us that any new funding was allocated according to the service needs set out in the DHC plans. Regional program files and the service plans showed that most new funding had been allocated according to the DHC recommendations.

Recommendation

To ensure that information contained in the District Health Council service plans is used effectively, the Ministry should:

- **provide District Health Councils with the results of the review of service plans on a timely basis; and**
- **ensure that each District Health Council's recommendations and concerns are adequately addressed.**

Ministry Response

As noted in the Provincial Auditor's report, "most new funding had been allocated according to the District Health Council recommendations." The notice back to the District Health Councils is through the Ministry of Health's announcement of funding allocations to specific service agencies in the respective District Health Council areas. All funding approval letters are copied to District Health Councils.

Early in 1998/99, ministry staff will meet with each District Health Council to discuss the advice they have provided to date on long-term care community service priorities in their districts, and will solicit any updated advice a District Health Council may wish to offer.

ECONOMY AND EFFICIENCY

FUNDING FORMULA

The need for long-term care community services in a district varies with the characteristics of the district's population, such as the number of elderly people and people with disabilities, the severity and frequency of disabilities, and the level of support provided by family and friends. Districts are geographical areas of the province that generally follow municipal boundaries. An effective needs-based funding formula would distribute available funds by taking into account both the need in a district for services and the relative costs of providing them.

In the 1994/95 fiscal year, the Ministry's Long-Term Care Division introduced a system that allocated funds to individual districts for a specified range of long-term care community services. However, the Division did not have the information necessary to directly assess the need for services in each district. On an interim basis, it used the 1994/95 provincial average expenditures by age and sex for home care services and applied those average expenditures to the districts' populations to determine the amount of funding needed for each district. This process revealed that many districts had been receiving significantly less than their fair share of funding while others had been receiving much more.

The Division decided to address these inequities by using the formula to allocate new funding mostly to districts that were relatively under-funded. In March 1996, the Minister of Health announced that funding for Long-Term Care Community Based Services would be increased by \$170 million over the next two years. Although most of these funds were allocated using the funding formula, the Division's calculations indicated that some districts were still significantly over-funded while others remained under-funded. For the 1997/98 fiscal year, 17 CCACs reported funding deficits totalling \$34 million; all of these were located in districts determined to be under-funded for 1998/99. After reviewing the causes of the deficits, the Ministry agreed to fund them as one-time expenses.

Significant differences between the current levels of funding and the levels required for equity among districts suggest the possibility of inequitable access to services among districts. Individuals in similar circumstances in different parts of the province may not have the same access to services. For example, we noted that some CCACs reporting funding deficits had introduced waiting lists for homemaking services. At the time of our audit, the Ministry had not developed a plan to eliminate funding inequities among districts.

The funding formula does not ensure that funds will be used efficiently, give any assurance about the quality of care provided, or establish the amount of funding required to provide an adequate level of service. Even if the funding formula did accurately reflect the need for long-term care community services in the 1994/95 fiscal year, it would need to be adjusted in subsequent years to reflect changes in demographics and changes in patterns of use.

Although the funding formula is intended to determine a district's fair share of available funds, it does not address the division of district funds between CCACs and other community service agencies. Services arranged by CCACs and those provided by other community service agencies often meet unique needs and are not interchangeable. We found that the percentages of funds allocated to CCACs and other community service agencies varied significantly among districts. In one district, 69% of the funding went to the CCAC and 31% to other community service agencies, while in another district 90% went to the CCAC and

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10% to other community service agencies. These differences may indicate greater inequities in services among districts than those indicated by the funding formula.

Recommendation

To better ensure equitable funding and access to long-term care community services, the Ministry should:

- **establish a plan to eliminate inequities in funding and differences in service levels among districts;**
- **ensure that its funding formula takes into account service needs, ongoing demographic changes and changes in the health care system; and**
- **review the appropriateness of funding allocations between Community Care Access Centres and community support service agencies.**

Ministry Response

The Ministry has been, and will continue, working toward eliminating the inequities in funding and differences in service levels among the 38 long-term care service areas.

Since 1994, significant progress has been made.

The long-term care community services equity funding formula takes into consideration three key factors to determine a fair share distribution of funds for each long-term care service area. These three factors are:

- ***the number of people in each area, by age and sex;***
- ***the history of utilization of long-term care services of each five-year age/sex cohort; and***
- ***the existing amount of funding for community services in each of the 38 long-term care service areas.***

In keeping with our commitment to regularly review and validate the effectiveness of the long-term care community service equity funding formula, the Long-Term Care Community Services Equity Funding Formula Review Committee was established in May 1998. The recommendations of the Committee are expected in the fall of 1998.

On April 29, 1998, the government announced an investment of \$1.2 billion to expand and improve the long-term care system, of which \$551 million will be used to expand community-based services. The \$551 million will be distributed using the equity funding formula. This substantial investment of \$551 million will create provincial equity in long-term care community service funding by the year 2005/06.

The major differences in the local split of funding between Community Care Access Centres (CCACs) and other community services are also being addressed. In 1998/99, a provincial formula is being applied to reduce this discrepancy. In areas receiving new money, a larger percentage will go to other community services if the CCAC already has a higher-than-average share of the local funding. The Long-Term Care Community Services Equity Funding Review Committee was specifically asked to examine this local split of funding and to make recommendations.

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ACQUISITION OF SERVICES BY COMMUNITY CARE ACCESS CENTRES

In the past, Home Care Programs contracted with outside providers for homemaking and professional services without a competitive selection process. In January 1996, the Minister of Health announced that, in future, these services were to be acquired using a competitive request for proposal (RFP) process with the intention of obtaining the highest quality at the best price.

To give current providers an opportunity to adjust to the competitive acquisition process, their service volumes (hours or visits) were protected on a declining basis over three years. During the three-year transition period, CCACs are required to issue annual RFPs for unprotected volumes.

To provide a framework for implementation, the Ministry established provincial requirements for the RFP process, developed an RFP template for use by CCACs and provided training sessions for CCAC staff. While the provincial requirements contain a number of quality requirements for the delivery of service, individual CCACs may decide whether or not to include them in particular RFPs. In addition, CCACs determine the weight assigned to any quality requirements used when evaluating proposals.

Annual RFPs require significant resources. Staff time and efforts are also needed to develop smooth working relationships with new service providers. Service recipients are also affected by such changes since they are likely to result in a change in caregivers. These costs must be weighed against expected benefits to determine the best frequency for requesting proposals.

At the time of our audit, separate RFPs were being issued for each of the services required. In some circumstances it may be advantageous to combine different services in one RFP. The provision of most services by the same provider may result in better coordination of care.

In addition, the Ministry had no plans to evaluate whether the RFP process had met its objectives. Such an evaluation would allow the Ministry to make modifications to the process and correct any problems in implementation.

The Ministry has yet to develop standardized tools that CCACs can use to assess whether quality of service requirements in the RFP are being met.

Recommendation

To help ensure that the request-for-proposal process used by Community Care Access Centres is meeting its objectives, the Ministry should:

- develop and implement standardized methods that Community Care Access Centres can use to assess whether the quality of service requirements in their requests for proposals are being met;
- evaluate its implementation; and
- consider how often requests for proposals should be issued.

Ministry Response

The Ministry fully supports this recommendation and recognizes the need to ensure that Community Care Access Centres (CCACs) award the “highest quality/best price” contracts in keeping with the provincial policy.

In 1997 and 1998, the Division completed two province-wide training sessions for representatives of CCACs and provider agencies on the request-for-proposal process. Over 950 staff of CCACs and provider service agencies were trained. In addition, training on service contract management was provided to representatives from all CCACs.

On January 21, 1998, the first meeting of the CCAC Request for Proposal Monitoring Committee was held, involving representatives from CCACs and “for-profit” and “not-for-profit” service providers. By June 1998, the Committee had met four times to discuss specific issues being encountered in the request-for-proposal process and to refine the terms of reference for this ongoing committee.

On June 18, 1998, the Ministry met with CCAC representatives to launch a more formal request-for-proposal evaluation which will be developed in consultation with CCACs and their service providers. The Ministry plans to engage a consulting firm to complete this independent evaluation.

QUALIFICATIONS OF PERSONAL SUPPORT WORKERS

The abilities and knowledge of workers providing personal care and support services are critical to the successful delivery of long-term care community services to clients. In 1993, the Ministry and the Ontario Community Support Association established a Training and Resource Group to develop a new training program for workers who provide personal care and support services to people living at home and in long-term care facilities. In October 1994, the Group issued its report. Among the report recommendations were that the Ministry develop:

- a comprehensive implementation plan for the new training program;

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- a process for assessing existing health care aides' and homemakers' abilities against the new training program; and
- a timeframe for making the successful completion of the new training program a condition of employment.

The Group envisioned that, by the year 2000, all workers providing personal care and homemaking services would have the abilities covered in the new training program. In May 1997, the ministries of Health and Education approved the Personal Support Worker Training Program curriculum to be offered at various community colleges. The new program consolidates and replaces a number of existing training programs.

An implementation plan and a process to assess all existing workers have not been developed. The Ministry does not maintain specific information on the qualifications of workers currently providing personal care and homemaking services to clients. Skills upgrading for the existing workforce is expected to occur as workers begin voluntarily to take the courses to improve their skills. However, new students wishing to work in personal support will be required to complete the training program.

Recommendation

To better ensure that long-term care community service recipients are receiving quality services from properly trained and qualified workers, the Ministry should develop a formal plan along with specific timeframes for fully implementing the standards of the Personal Support Worker Training Program.

Ministry Response

The new Personal Support Worker Curriculum and Training Program was approved by the Ministry of Health and the Ministry of Education and Training in the spring of 1997. Colleges of applied arts and technology and private vocational schools began to offer the new program in September.

Starting in 1998/99, the Division plans to increase annual funding from about \$6 million to about \$10 million annually for the training of personal support workers. A joint project is now under way with the Ontario Community Support Association and the Ontario Home Health Care Providers' Association to determine how to fairly and equitably distribute funding to existing and new workers. In the longer term, responsibility for funding worker training will be shifted to provider agencies, and legitimate training costs included in their proposals submitted to CCACs.

SCREENING OF PERSONAL SUPPORT WORKERS

Individuals who provide long-term care community services have access without direct supervision to vulnerable adults and their property. Therefore, adequate procedures to prevent

any abuse of this position of trust are important. At least one province already requires reference and criminal record checks for community service workers. While individual long-term care community service agencies may check references and may inquire about criminal records, there is no provincial policy in this regard. Further, screening workers providing long-term care community services for criminal records may require additional legislative amendments.

Recommendation

To assist in safeguarding the interests and well-being of long-term care community service recipients, the Ministry should ensure long-term care service agencies appropriately screen workers providing care.

Ministry Response

The Ministry supports this recommendation. The provision of appropriate staff and safeguarding of the well-being of service recipients is an important responsibility of funded agencies.

Improved and consistent training through the Personal Support Worker Program will help ensure that workers are appropriately trained and sensitive to the needs of clients served.

The Ministry will explore with provider groups the development of guidelines for screening front-line staff.