Legislative
Assembly
of Ontario

Assemblée
législative
de l'Ontario

STANDING COMMITTEE ON

PUBLIC ACCOUNTS

CHILDREN'S MENTAL HEALTH SERVICES

(Section 4.02, 2005 Annual Report of the Auditor General of Ontario)

2nd Session, 38th Parliament
55 Elizabeth II

Legislative Assembly of Ontario

Assemblée législative de l'Ontario

The Honourable Michael A. Brown, MPP
Speaker of the Legislative Assembly

Sir,

Your Standing Committee on Public Accounts has the honour to present its Report and commends it to the House.

Norman Sterling, MPP
Chair of the Committee

Queen's Park
July 2006

STANDING COMMITTEE ON PUBLIC ACCOUNTS
MEMBERSHIP LIST

2nd Session, 38th Parliament

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CONTENTS

PREAMBLE

The Standing Committee on Public Accounts held hearings on the Auditor General's (Auditor's) 2005 follow-up report on Children's Mental Health Services administered by the Ministry of Children and Youth Services (section 4.02 of his *2005 Annual Report*) on February 16, 2006. The Committee has endorsed the Auditor's findings and recommendations.

This report flows from the Auditor's *2005 Annual Report* and the Committee's February 2006 hearings. The Committee conducts hearings with ministry officials on selected audit reports to solicit current information on corrective measures taken following an audit and a ministry's initial response. The Committee's procedures include hearings and their deliberations, and most often, a report with new recommendations. Reports are tabled in the Legislature with the expectation that the auditee will provide a comprehensive response within a prescribed timeframe, indicating the corrective measures taken to ensure compliance.

A Committee report provides background information in sections as found in the audit report, followed by an overview of the main findings resulting from the hearings and, as appropriate, new recommendations.

In the case of Children's Mental Health Services, the Committee held hearings in February 2004 and issued a report in July 2004 on the audit report that appeared in section 3.02 of the Auditor's *2003 Annual Report*. This report contains the Committee's findings and recommendations as they relate to those areas of particular interest to Committee members. *Hansard*, the official record of the hearings, should be consulted for the complete proceedings.

Acknowledgements

The Committee extends its appreciation to officials from the Ministry of Children and Youth Services for their attendance at the hearings. The Committee also acknowledges the assistance provided during the hearings by the Office of the Auditor General, the Clerk of the Committee, and staff of the Legislative Library's Research and Information Services Branch.

1. AUDIT OBJECTIVES AND MAIN FINDINGS

The 2003 audit's objectives were to assess whether the Ministry's administrative procedures were adequate to ensure that:

- the quality and outcome of services provided by the community-based agencies was monitored and assessed; and
- transfer payments to agencies were reasonable and satisfactorily controlled.[1]

The 2003 audit concluded that the Ministry was not adequately monitoring and assessing the quality of services provided by the community-based agencies it funded. It found that the Ministry

- had not established **service quality standards** and **service evaluation criteria**;

- had not established **waiting time standards** that were reasonable and commensurate with individual children's needs;

- was not monitoring the **extent and impact of lengthy waiting times**; and

- was not receiving or assessing information from agencies about **service outcomes**.

The audit also found that funding decisions were not based on sufficiently detailed and relevant financial and operational information from agencies. Many of the 2003 audit report recommendations dealt with issues raised in a 1997 audit of the same program.[2]

2. COMMITTEE REQUEST FOR MINISTRY RESPONSE

The Committee requests that the Ministry of Children and Youth Services provide the Committee Clerk with a written response within 120 calendar days of the tabling of this report with the Speaker of the Legislative Assembly, unless otherwise specified in a recommendation, as is the case in recommendations 2 and 7.

2.1. Committee Recommendations

1. The Ministry of Children and Youth Services ensure that the continuum of services arising from its new policy framework responds to the needs of communities, parents and, most importantly, children with as much transparency as possible.

2. The Ministry of Children and Youth Services report to the Committee on its established outcome measures and the reliability of baseline data for both the newly funded programs and the core services identified by its new policy framework, in an appearance before the Committee in the spring of 2007.

3. The Ministry of Children and Youth Services report to the Committee on the template it has developed to be used by agencies and/or regional offices to ensure consistency in the recording of wait time and wait list data. The Ministry is asked to provide the Committee with a copy of the template prior to its appearance before the Committee in the spring of 2007.

4. The Ministry of Children and Youth Services provide the Committee with clarification of the phrase "7,165 clients (58%) received service within one month of referral" which appears above. [See page 9.]

5. The Ministry of Children and Youth Services report to the Committee on the results of the second baseline data report after its release, particularly those related to wait times and outcome measures.

6. The Ministry of Children and Youth Services ensure it is provided with and monitors waiting list and wait time data on a regular basis.

7. The Ministry of Children and Youth Services provide an information systems update during its appearance before the Committee in the spring of 2007.

8. The Ministry of Children and Youth Services consider the direct contractual agreement option with agencies providing services for the Intensive Early Intervention Program for Children with Autism.

9. The Ministry of Children and Youth Services prepare a revised fully-loaded cost comparison between the direct-service and direct-funding options and report the outcome to the Committee.

10. The Ministry of Children and Youth Services monitor the number of lost service hours. Where service hours are lost through no fault of a child or parent, the Committee expects the Ministry to ensure the hours will be made up or related funds recovered.

3. OVERVIEW

The Ministry of Children and Youth Services funds more than 250 agencies operating within the area of children's mental health, including approximately 90 child and youth mental health centres, hospital-based outpatient programs and a telepsychiatry service through the Hospital for Sick Children. It directly operates two child and youth mental health facilities: the Thistletown Regional Centre in Etobicoke, and the Child and Parent Resource Institute in London. In 2004/05, Ministry-funded programs provided mental health services to approximately 153,000 children and youth.[3]

The 2004 provincial budget allocated $25 million in new funds to child and youth mental health services. This grew to $38 million in 2005/06. The investment helped to create 113 new programs and expand 96 existing programs, and provide a 3% increase in funding for staff salaries at community agencies. (Funded services were determined through community planning tables.[4]) The 2005/06 investment in mental health services for children and youth was $461.6 million.[5]

AUDIT OBSERVATIONS AND RECOMMENDATIONS

4. QUALITY OF SERVICE

4.1 Auditor's 2003 Annual Report

The vast majority of funded programs had neither standards defining acceptable service nor criteria for evaluating service quality. This had resulted in the Ministry not having adequate assurance that funded programs met client needs or represented value for money spent. The Auditor found that service guidelines had been developed for several of the newly established programs. However, he noted that head office staff considered compliance with these guidelines to be mandatory while staff in regional offices, in most cases, did not.

The Auditor recommended establishing standards for acceptable service quality and criteria for evaluating service quality. He also saw benefit in periodic evaluations of the quality of services and working with partner agencies to take corrective action where necessary.[6]

4.2 Committee's 2004 Report

The Committee recommended that the Ministry of Children and Youth Services provide it with

> an interim report on its progress in completing its review of children's mental health services and developing new policy directions, as well as its identification of core services, and the development of service standards and guidelines.[7]

4.3 Ministry's December 2005 Status Update

Service standards allow for the effective evaluation of Ministry-funded services and the periodic assessment of their quality. Following on this, the Ministry has undertaken initiatives including the development of data and outcome measures, an investment of $38 million in 2005/06 in new funding as a result of the 2004 budget, and the development of a child and youth mental health policy framework.

Data and Outcome Measures

In collaboration with the Provincial Centre of Excellence for Child and Youth Mental Health at the Children's Hospital of Eastern Ontario (the Centre of Excellence), the Ministry has developed an evaluation framework for monitoring an outcome analysis of the new programs funded with the $38 million announced in the 2004 provincial budget.

The framework has two phases; the first involves monitoring the implementation of the new programs and developing a program-specific methodology for collecting data. Data collection tools have been developed and tested. Collection and analysis will begin in the spring of 2006. Phase two is a more detailed outcome evaluation of selected programs. The Centre of Excellence is leading the process to identify programs for the evaluation. The selection has begun.

In addition, a baseline for wait times and client progress is being established, based on information obtained through the Brief Child and Family Phone Interview (BCFPI), and the Child and Adolescent Functional Assessment Scale (CAFAS). Both tools allow the Ministry to identify baseline data against which performance outcomes can be measured. The BCFPI is used in 108 agencies. The CAFAS is used in 107 community-based agencies and hospital-based outpatient programs.

The mid- and long-range goals for the tools are to improve the size and reliability of data and to create "a culture of evidence-based service provision." To do this, the Ministry is improving user training to enhance the update of the BCFPI and the CAFAS by making the products more user friendly and translating them into

French. The Ministry is also continually evaluating and monitoring usage of the tools, as mandated in transfer payment service contracts and enforcement of compliance.

Further work is underway to enhance the implementation and quality of data from both tools. The collected data guides and informs policy development, including information on wait times and outcome measures that will inform the development of the policy framework.

New Investments – 2004 Budget

The new and expanded services were funded as a result of a community-based planning process in the fall of 2004. Representatives from across the sector met to develop community plans to address local needs and service gaps.

Policy Framework

The new policy framework will identify guiding principles for the provision of services, service system goals across the continuum (e.g., health, education), levels of care and programs in a service continuum, and outcomes for future identification and measurement.

The framework will be the foundation for the development of service standards and guidelines, which will permit the further development of outcome measures. Service standards and outcome measures will be evidence-based and reflect emerging practices to support a coordinated, balanced and accessible service system. The absence of a legislative or policy framework has limited the ability of the Ministry and service providers to establish clear service standards, definitions of care and system-wide outcome measures.

In 2005, the Ministry and Children's Mental Health Ontario (CMHO) undertook joint consultations on the framework with a range of stakeholders. In August 2005, the Ministry distributed a background document on issues related to the framework to service providers and key stakeholders. From September to November 2005, the Ministry received input on the framework's development. With CMHO, the Ministry had 14 community discussions with over 300 representatives of key stakeholders and service providers. It also received 31 written submissions. Inter-ministerial discussions were held with staff from the ministries of Children and Youth Services, Community and Social Services, the Attorney General, Education, and Health and Long-Term Care.

Ongoing advice will be sought on the implementation of the framework and the development of evidence-based standards and guidelines through inter-ministerial and external consultation mechanisms. The framework was expected to be released in the spring of 2006.[8]

4.4 Committee's 2006 Hearings

Data and Outcome Measures

As of 2006/07, all funded agencies with licensed agreements will be required to use the BCFPI and the CAFAS.[9]

Policy Framework

The document to be released in the spring of 2006 will deal with vision, guiding principles, systems goals, and a broad description of a continuum of service.[10]

Policy Framework - Consultations

A variety of themes arose during the policy framework consultations. Ministry staff provided Committee members with an overview.

One of the issues raised was consistency in service delivery expectations and availability in communities. Collaboration and integration at the local level were seen as helping to respond to capacity concerns, resource availability, the need for coordinated access, and the identification of appropriate continuums of service.

Other themes included waiting lists and wait times, and the need for a more intensive focus on the specialized needs of those children considered to be the most in need. A widely heard comment was that providers are often dealing with clients with multiple and concurrent mental health problems involving more than one program.

Reference to human resources issues (e.g., retention, recruitment, salaries) led to comment about training by Ministry staff. During the policy framework consultations, participants indicated the need to be trained by their agencies. Those involved in the planning tables referred to earlier in this report expressed a need for multi-disciplinary training sessions.

Ministry staff saw training as a joint responsibility of regional offices and individual agencies. Agencies need to know what training is required to deliver their services. Once the policy framework is in place with its continuum of services and levels of care, the Ministry will need to play a leadership role and identify required competencies. The Centre of Excellence will be involved in training and competency development. It has already undertaken professional and clinical consultation sessions with agency staff.[11]

Supplementary Information

The BCFPI is used at intake by licensed child and youth mental health agencies and other agencies that provide mental health services. The CAFAS is a clinical outcome instrument used by clinicians at the start of services and at intervals thereafter. Typically, clinical services occur several weeks or months after intake.

As of May 2006, 120 agencies were using both the BCFPI and the CAFAS, nine used the CAFAS only and seven used the BCFPI only.[12] The Committee has also learned that the release of the policy framework has been delayed until the fall of 2006 to facilitate review/comments by outside experts.[13]

Committee Recommendations

The Committee recommends that:

> **1. The Ministry of Children and Youth Services ensure that the continuum of services arising from its new policy framework responds to the needs of communities, parents and, most importantly, children with as much transparency as possible.**
>
> **The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the tabling of this report in the Legislature.**
>
> **2. The Ministry of Children and Youth Services report to the Committee on its established outcome measures and the reliability of baseline data for both the newly funded programs and the core services identified by its new policy framework, in an appearance before the Committee in the spring of 2007.**

5. WAITING LISTS

5.1 Auditor's 2003 Annual Report

The audit found that standards for access to services had not been established. With the exception of the autism program, information about waiting lists and times was not normally provided to the Ministry. A review of available information by the Auditor's staff indicated that waiting times were often lengthy.

The Auditor recommended establishing standards for access to service and assessing the extent to which standards were complied with. He also called for the development of strategies to monitor and remedy situations where waiting times were too lengthy. [14]

5.2 Committee's 2004 Report

The Committee recommended that the Ministry of Children and Youth Services

- direct its regional offices to request waiting list information from the agencies in their regions and to develop consolidated waiting lists for community-based and residential children's mental health services which should ensure that children are not on more than one list;

- require its regional offices to provide information about their consolidated waiting lists to the Ministry's corporate offices on a quarterly basis; and

- investigate the feasibility of developing a system whereby waiting lists are ensured to be accurate and reflective of the actual number of children waiting for services.[15]

5.3 Ministry's December 2005 Status Update

The Ministry is working with the Hospital for Sick Children and CMHO to develop baseline data for current waiting times, and to determine child and family functioning before and after service.

The Ministry and CMHO have developed regional and provincial reports based on data collected by agencies using the BCFPI. CMHO began the process of collecting data on wait lists obtained from the BCFPI in 2004. This process includes developing clear definitions for wait lists, as well as training providers on how to collect and report information. The BCFPI has the capacity to provide critical data on "wait time" for services. The Ministry contracts with CMHO for the administration of the BCFPI.

The BCFPI and the CAFAS also allow for the identification of baseline data, against which performance outcomes can be measured. The first provincial report on baseline data showed that in 2004 the average waiting time for clients who were admitted to services province-wide was 36 days. Improvement in client functioning at exit of service in 2004 rated at 69.1%.

The collection of waiting data is challenging for two reasons: the absence of a unique identifier makes it impossible to determine if clients are on multiple waiting lists; and the lack of standard terminology for a range of disorders and conditions for which stages of services may each have a wait time.

CMHO conducted an analysis of the BCFPI data for 2004 and identified the variations in definitions that need to be corrected in order for the Ministry to obtain accurate data. In 2005/06, CMHO worked closely with agencies to develop common definitions for stages of services in order to increase consistency in application.[16]

5.4 Committee's 2006 Hearings

Agencies vary in size and sophistication in terms of their ability to use instruments like the BCFPI and the CAFAS, and other technologies. In 2005/06, the Ministry worked with CMHO to put better training in place for the staff who use the instruments. Software has been simplified to be more user-friendly and communities-of-practice have been established. Ministry staff felt the baseline data in the 2004 report was not good data. They were, however, confident that the data in the 2005 report would be better.

Committee members were told that CMHO is collecting the BCFPI data on a quarterly basis. It is also talking to regional offices through planning tables and community-of-practice tables.[17]

Waiting lists continue to be managed at the agency and regional levels. Ministry staff advised that this is appropriate for three reasons: the Ministry does not have the database capability; local management enables the local community to set its own priorities; and there is an increasing need for clinical judgements which the Ministry is unable to provide or comment on.[18]

Supplementary Information

Wait time data from 92 of the largest child and youth mental health agencies in the province has been collected, "cleaned" and analyzed in order to develop a wait time baseline for the calendar year 2005.

- The average wait time for 12,276 clients referred for and admitted to services was 44 days.

- 7,165 clients (58%) received service within one month of referral.

- Practice in this sector sees clients with the greatest need receiving services as quickly as possible.

- The average wait time for 8,372 clients referred in 2004 and 2005 and still waiting for services on December 31, 2005 was 170 calendar days.

Wait time data is shared with agencies, and the Ministry's regional and corporate offices for ongoing monitoring and to guide corrective action or response when necessary.

The Ministry sees wait time information as a more suitable planning indicator than wait list information. The latter does not differentiate between individuals who have just been referred for services and those who have been waiting for long periods of time.

The BCFPI is used to track wait times and to obtain a profile of children and youth referred for services at the agency, regional and provincial levels. The clinical services measured by the CAFAS occur several weeks or months after intake.[19]

Committee Recommendations

The Committee acknowledges and appreciates regional and agency differences in the delivery of children's mental health services. At the same time, it recognizes the need for consistency in the way in which demand for these services is recorded.

The Committee therefore recommends that:

> **3. The Ministry of Children and Youth Services report to the Committee on the template it has developed to be used by agencies and/or regional offices to ensure consistency in the recording of wait time and wait list data. The Ministry is asked to provide the Committee with a copy of the template prior to its appearance before the Committee in the spring of 2007.**

> **4. The Ministry of Children and Youth Services provide the Committee with clarification of the phrase "7,165 clients (58%) received service within one month of referral" which appears above.**

> **5. The Ministry of Children and Youth Services report to the Committee on the results of the second baseline data report after its release, particularly those related to wait times and outcome measures.**

> **6. The Ministry of Children and Youth Services ensure it is provided with and monitors waiting list and wait time data on a regular basis.**

> **The Committee requests that the Ministry provide the Committee Clerk with a written response to these recommendations within 120 days of the tabling of this report in the Legislature.**

6. INFORMATION SYSTEMS

6.1 Auditor's 2003 Annual Report

Financial and Service Information System

A new management information system that captures annual and quarterly financial service information was implemented in August 1998. The audit found that it was not being used to analyze consistency of funding across the province or if the Ministry was receiving value for money for services provided by agencies. In those instances where it was being used for that type of analysis, the system was of limited usefulness.

Autism Program Information System

An information system that contains financial and client information for the nine regional autism programs was developed in 2000/01. The information is used to help develop new policies. The audit noted that it provides only consolidated province-wide information and that Ministry staff said they were uncertain about the accuracy and completeness of the information.[20]

6.2 Committee's 2004 Report

The Committee recommended that the Ministry of Children and Youth Services

- report to the Committee within a year of the tabling of its report on the implementation of a compatible information system to track service and financial information for the use of all involved in the delivery of children's mental health services;

- provide its regional staff with the training necessary to make the Autism Program Information System (APIS) a more useful and reliable tool; and

- ensure that the APIS is funded to a level that allows agency, regional and corporate staff to input and access data in an effective and efficient manner.[21]

6.3 Ministry's December 2005 Status Update

Electronic Upload Files

The Ministry planned to improve electronic update files by the late spring of 2006 to allow for the automated transfer of data from agencies' Excel spreadsheets to the Ministry's Service Management Information System (SMIS). The initiative would facilitate information sharing between agencies and the Ministry. It would also improve the accuracy and reliability of SMIS data by reducing the potential for human error inherent in the current practice of manual data entry.

Data Quality Assurance Tools

In February 2005, the Ministry implemented additional data quality and assurance tools and methodologies to improve the integrity of data captured in the SMIS. These included an enhanced sign-off protocol requiring director-level sign-off on year-to-date data, and the provision of standardized exception and variance reports that allow for increased data review and validation of accuracy.

Communication of Business Practices

SMIS training had been and continued to be improved. In addition to the SMIS how-to training, the Ministry was educating staff on the validated business and financial practices that the SMIS supports. Through their training, staff were better able to identify data quality issues, and deal with them promptly and effectively.

The enhanced training complemented the Ministry's continuous efforts to communicate business and financial practices via the Business Managers Network, a formal structure comprised of regional and corporate finance and business managers, which facilitates coordinated and consistent business practices and decisions.

Improvements/Additions to SMIS

A number of improvements based on the Auditor's *2003 Annual Report* had been implemented. They included a new chart of accounts introduced in SMIS when the Ministry was first created. In April 2004, the SMIS was recoded to operate with the Integrated Financial Information System (IFIS) and the new Ministry vendor structure.[22]

6.4 Committee's 2006 Hearings

Ministry staff reported that they had taken several steps to ensure that their information systems provide sufficiently detailed, relevant and accurate information to allow for the monitoring of the cost-effectiveness of service delivery.[23]

While the main information system is SMIS, staff referred to their dependence on an "old-fashioned" reporting relationship which sees information from the field transposed in regional offices. They felt that transpositional errors would be taken care of by future uploading to the SMIS database.

Staff, particularly those in regional offices working in contract management and financial services, were being trained to ensure they had a clear understanding of expectations and requirements respecting field data. Effort had been taken to clearly define data elements. Service description standards, many of which had not been revised in 10 years or more, had been refined and standardized.[24]

Supplementary Information

Since the hearings, the Committee has been advised that approximately $3 million of the Ministry's 2005/06 budget (about 0.09%) supported its information technology systems.[25]

The Committee has also learned that the Ministry used the SMIS to manage most of its $2.9 billion in transfer payment funding in 2005/06. Several steps have been taken to improve the quality of data in the SMIS, among them

- improving the electronic upload of Excel submission files;
- improving data quality and assurance tools, including a regional director sign-off protocol on year-to-date reporting; and
- automating the SMIS variance and exception reporting to regional staff.

In November 2005, the Ministry established a team to review the transfer payment business cycle, as well as the SMIS application. Phase 1 of the project included a review of current processes, the Excel budget package, automation opportunities, and the SMIS interface. The team is also reviewing leading practices and transfer payment business models used by other jurisdictions, and recommendations for improving the transfer payment business process. A final report was issued on March 31, 2006.

The Ministry is reviewing the report's recommendations and considering potential next steps, including the implementation of a number of short and longer term business process improvements to strengthen contract management and transfer payment accountability.[26]

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Committee Recommendation

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The Committee is encouraged by the initiatives the Ministry has undertaken with respect to its information systems.

The Committee therefore recommends that:

> **7. The Ministry of Children and Youth Services provide an information systems update during its appearance before the Committee in the spring of 2007.**

7. MINISTRY RESPONSE TO REPORT ON REVIEW OF IEIP

On April 8, 2004, the Committee passed a motion asking the Auditor to perform a review of the Intensive Early Intervention Program (IEIP) for Children with Autism. A report on that review was released on November 4, 2004.[27] On November 18 of that year, staff from the Ministry of Children and Youth Services appeared before the Committee to discuss the Auditor's findings and recommendations.[28]

A status update on the Ministry's commitments and undertakings since the release of the Auditor's review, dated January 2006, was provided to the Committee prior to its hearings. During the course of those hearings, Ministry staff were questioned about four of the Auditor's recommendations.[29]

Supplementary Information

As of March 31, 2006, 343 children were waiting to be assessed and 753 were waiting for Intensive Behavioural Intervention (IBI) services to begin.[30] The Ministry's estimated expenditure on transfer payments for the autism portfolio in 2005/06 was $95.168 million. Interim actuals were $95.064 million.[31]

7.1 Direct Contractual Agreements with Agencies

The Auditor recommended that the Ministry

> should consider having a direct contractual agreement with each agency that provides services for the Intensive Early Intervention Program for Children with Autism.[32]

Ministry's January 2006 Current Status Update

Regular meetings with lead service providers have explored current practices and the challenges of existing service delivery models, including subcontracting. Based on these discussions, the Ministry will continue with the current model of subcontracting while continuing to consider enhancements that will improve monitoring and accountability requirements.

Transfer Payment Budget Package Project

The Transfer Payment Budget Packages used by transfer payment service providers are updated annually. Each package specifies the services to be delivered, includes financial information and sets out the Ministry's expectations for performance and monitoring.

In the fall of 2004, the Ministry established a working group to review the documents that relate to the autism intervention program (AIP) to improve their clarity, consistency and relevance. The changes minimize misinterpretation by providers and enable the Ministry to better use the data at both regional and provincial levels to monitor the progress of the AIP in meeting its targets.

The working group met in the fall of 2005 to review the 2005/06 package. Some additional changes were made on the reporting capacity of service providers to further clarify the new data element included in 2004 defining children discharged from IBI and receiving transition support service. The group will continue to meet on an annual basis. [33]

Committee's 2006 Hearings

The Ministry has tried to be sensitive to the need for local delivery agents. Regional providers provide the overall direction for the program, as well as the training and the administrative link with the regional office. Subcontractors are trained and equally able to provide the service. The Ministry has also tried to ensure that the relationship between the primary service provider and the subcontractors is clarified so there is a clearer line of accountability. Regional service providers are ultimately accountable for the quality and quantity of service. They have clear obligations with respect to subcontractors on the delivery of services.[34]

Supplementary Information

The Ministry, in consultation with regional office staff, examined current practices, options and the impacts of changing service delivery methods, including subcontracting. Based on that examination, it decided to continue with the current model of subcontracting while continuing to consider enhancements that might improve monitoring and accountability requirements.

The Ministry's contracting processes support transfer payment accountability. Service contracts with individual providers establish and monitor accountability. Contracts outline the components of Ministry funding (e.g., budgetary and financial reporting requirements, program deliverables and outcomes, expected service volumes). The contracting process establishes service targets through negotiation with providers. It also collects detailed performance information on a quarterly basis. The aim is to ensure agencies manage resources effectively and that value for money is achieved.

New service description schedules were developed for the 2006/07 budget package. They are specific to the services to be delivered. The new schedules also require providers to develop plans for achieving approved service objectives.

The terms and conditions of the transfer payment service contract include a non-assignment of services clause. Prior written approval from the province is required for the assignment of services to another party. Approval may be withheld by the province in its sole discretion or given subject to such conditions as it may impose.

Each regional office has a program supervisor who is assigned lead responsibility for the autism portfolio. That individual inspects, supervises and advises providers through a variety of activities. These include

- the negotiation of budgets and service contracts;
- the analysis of program and financial information in quarterly reports from providers against the expectations set out in the service contract;
- the analysis of the provider's financial performance;
- the investigation of serious incidents and/or complaints; and
- regular contact.[35]

Committee Recommendation

The Committee recommends that:

> **8. The Ministry of Children and Youth Services consider the direct contractual agreement option with agencies providing services for the Intensive Early Intervention Program for Children with Autism.**
>
> **The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the tabling of this report in the Legislature.**

7.2 Cost Variations Between Service Providers

The Auditor recommended that

> where the costs of similar services vary significantly over time within or between individual service providers, the Ministry of Children and Youth Services should determine the reasons for such variances, and where necessary, take corrective action.[36]

Ministry's January 2006 Current Status Update

The Ministry established the costing analysis project in March 2005. The project is using an "activity-based costing" model that is consistent with Ministry of Finance guidelines on costing government services. The model examines the cost to the province of the AIP.

In the project's first phase, the Ministry worked with the three lead service providers that were part of the Auditor General's special report. The first step was defining the core functions of the AIP (e.g., intake services, eligibility determination, family and child supports, IBI, transition supports). The second step was the creation of a costing analysis tool that enabled service providers to assign financial and service data to each core function. To test the tool, the three lead service providers collected their best available service and financial data for 2003/04. This process identified refinements that needed to be made so that the tool could be consistently used by all autism service providers.

The Ministry is revising the costing analysis tool based on what has been learned from the pilot and to assess the feasibility of applying the tool to other autism service providers. The data collected will be reviewed to investigate cost variances, create a baseline for all function costs, examine the data in relation to quality of service indicators, and take any required corrective action. The scope of the project is limited to a comparison of cost data for program outputs. It does not address quality of service or program effectiveness.[37]

Committee's 2006 Hearings

Reference was made to the cost variances that occur between and within regions. Committee members were also told that amendments have been made to the costing analysis tool. The Ministry has notified all service providers that the tool will be sent out in the near future. Responses were expected within the following six months.[38]

7.3 Direct-Service Option versus Direct-Funding Option

The Auditor recommended that the Ministry

> formally assess the relative advantages and disadvantages of the direct-service and the direct-funding options and determine whether the current mix of selected options provided facilitates the delivery of services to the largest number of children.[39]

Parents are given a choice of obtaining program services from a Ministry-funded provider (the direct-service option – DSO) or a qualified, private sector provider (the direct-funding option – DFO). With the DSO, instructor therapists are hired and paid for by the service agency, which also provides ancillary services such as parent training. Under the DFO, parents enter into a funding arrangement with the lead service provider in their region. (The DFO is not available in the northern region.[40]) Four times a year, they receive funding for the upcoming quarter which is based on an hourly rate multiplied by the number of program hours outlined in their child's service plan. Some ancillary services are provided by the lead agency, but others are not. Those that are not provided are usually not funded.[41] Initial assessments are undertaken by DSO providers regardless of the funding option eventually chosen by a parent.[42]

Ministry's January 2006 Current Status Update

The costing analysis project referred to in 6.2 addresses this recommendation.[43]

Committee's 2006 Hearings

The costing analysis project is the Ministry's first effort to examine the key differences between the DSO and the DFO. While the analysis was recommended by the Auditor, the issue of differential costs had been raised in discussions with service providers and parents. (Approximately one third of parents elect to take the DFO.[44])

For the purposes of the analysis, the key service components performed for the DSO and the DFO (e.g., intake, assessment, IBI as an entity itself, parent supports) were identified and mapped. The base costs for providing both options were identified in the absence of program administration and other factors. (The Ministry did not discount lost service hours.[45])

The preliminary analysis found that the hourly DSO cost was in the area of $36, the hourly DFO cost in the area of $33. The Ministry wants to update this information as the figures used were from 2003/04. It also wishes to extend the analysis to the other six service providers.

With the extension of the analysis to all service providers and a better understanding of the costs of care, Committee members were told that the Ministry will have to make decisions on how to standardize its approach to the two options to ensure the availability of the best possible services. If the costs of delivering services through the DFO are found to exceed the capability of parents, Ministry staff committed themselves to taking that into account.[46]

2004/05 Budget Allocation

Ministry staff were asked why $2.7 million had been diverted from IBI to child welfare in 2004/05 when there were children on a waiting list for treatment and more waiting to be assessed to determine if they qualified for IBI. The $2.7 million was described as an under-expenditure in the context of the additional $10 million put into programs in 2004/05. The money was unspent at the end of the year. The Ministry made the decision to put it into child welfare, a legislated program.[47]

Capacity issues were cited as the principal reason for the choices made in 2004/05. IBI expenditures were being tracked very carefully in 2005/06. Virtually all of that fiscal year's allocation will be spent on its intended purpose.[48]

Supplementary Information

The Ministry provided the Committee with greater detail on the preliminary analysis of the hourly costs of the DSO and DFO. The project used an activity-based costing model consistent with the Ministry of Finance's guidelines on costing government services. A template enabled the Ministry to collect detailed financial and service data on the core direct service functions of the AIP (e.g., intake services, determining eligibility).

Preliminary data was based on the best available 2003/04 service and financial data from the three lead autism service providers. The template was designed to collect the most comparable direct service costs of the two delivery models.

In addition to the average costs, the preliminary data identified that central administration costs for the providers were within the Ministry's guideline of up to 10% for the total AIP budget in 2003/04. The preliminary data also identified that an average of 21% of the total cost of the AIP could be attributed to program administration. In the pilot template, administration costs included overall clinical and program management, administrative services, program-specific information technology services, staff time, and related costs not related to a specific child (e.g., training).

Provincial data for 2005/06 will be collected from the nine lead service providers using a revised costing template. This information will enable the Ministry to review cost variances over time and among service providers.[49]

Committee Recommendation

The Committee recommends that:

> **9. The Ministry of Children and Youth Services prepare a revised fully-loaded cost comparison between the direct-service and direct-funding options and report the outcome to the Committee.**
>
> **The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the tabling of this report in the Legislature.**

7.4 Lost Service Hours

The Auditor recommended that the Ministry

> regularly receive and assess the extent of lost service hours for each service provider, take the necessary corrective action to minimize lost hours, and reassess its practice of allowing service providers to retain funding for undelivered service hours under the direct-service model.[50]

Ministry's January 2006 Current Status Update

The Ministry recognizes that, for various reasons, some children do not receive all of the service hours that have been clinically recommended. Several meetings have been held with lead service providers to discuss the reasons for and identify ways to reduce the number of cancelled service hours.

All lead service providers have programs or procedures in place to reduce the number of hours cancelled due to staff availability. Examples include:

- moving to a centre-based service delivery where staff to child ratios allow for more flexible staff reassignment;

- introducing staff wellness programs to reduce the transmission of illnesses; and

- policies to stagger staff vacations and coordinate agency training days.

The lead service providers are making efforts to improve their ability to track cancellations due to staff and child availability. The Ministry will continue to work with them to monitor how programs are impacting the number of cancelled service hours.[51]

Committee Hearings

The Ministry has not changed its policy regarding lost service hours. As they move toward a more standardized approach across all regions though, Ministry staff committed themselves to looking at a definition of lost service hours. Any definition would have to include reasonable guidelines for agencies and an accountable process. The principle would be that where it is through no fault of the parent or child that hours are lost, the Ministry would do its best to ensure that, if possible, time be made up. Agencies have been asked to track lost service hours, but the Ministry does not regularly receive that data.[52]

Committee Recommendation

The Committee recommends that:

> **10. The Ministry of Children and Youth Services monitor the number of lost service hours. Where service hours are lost through no fault of a child or parent, the Committee expects the Ministry to ensure the hours will be made up or related funds recovered.**
>
> **The Committee requests that the Ministry provide the Committee Clerk with a written response to this recommendation within 120 days of the tabling of this report in the Legislature.**

7.5 Evaluation of IEIP/AIP

Ministry's January 2006 Current Status Update

Included with the Ministry's responses to the Auditor's recommendations concerning DSO versus DFO and lost service hours was reference to Dr. Adrienne Perry of York University. She had been contracted to conduct an analysis of the historical information identified through consultations with service providers. Dr. Perry's review would systematically assess information currently available from regional service providers on children who had been involved in the AIP to date. It would produce a descriptive profile of the children, how they progressed and the factors that might be associated with that progress.[53]

Committee Hearings

Dr. Perry had been contracted to conduct a retrospective review, similar to work done for Surrey Place Centre which identified 89 children for whom there was entry, clinical and discharge-related data. The Centre, with help from Dr. Perry, did an extensive evaluation of program outcomes from a child and clinical perspective. Discussions with parents were included in that process.

In terms of the Ministry's project, Dr. Perry was sampling about 400 cases from across the province. Data collection had begun; cases for whom the Ministry had

relevant data were being identified (i.e., intake information, clinical reports, discharge or transition data).[54]

Supplementary Information

Following the hearings, the Ministry reported that because Dr. Perry's work was a retrospective review of existing data, it was not possible to involve parents in her evaluation. Existing data on some family measures were being examined as part of the review, the scope of which precludes the collection of new data or information. The Ministry plans to proceed with an evaluation of the program. Families will have an opportunity to be involved in that process.[55]

ENDNOTES

[1] Ontario, Office of the Provincial Auditor, *2003 Annual Report* (Toronto: The Office, 2003), pp. 53-54.

[2] Ibid., p. 300.

[3] Ontario, Legislative Assembly, Standing Committee on Public Accounts, *Official Report of Debates (Hansard)*, 2nd Sess., 38th Parl. (16 February 2006): P-7.

[4] Ibid., p. P-22.

[5] Ibid., p. P-8.

[6] Verbatim text from Ontario, Legislative Assembly, Standing Committee on Public Accounts, *Children's Mental Health Services* (Toronto: The Committee, July 2004), p. 6. Internet site at http://www.ontla.on.ca/committees/Childrens%20Mental%20Health.pdf accessed 15 June 2006. Based on Office of the Provincial Auditor, *2003 Annual Report*, pp. 56-57.

[7] Standing Committee on Public Accounts, *Children's Mental Health Services*, p. 6.

[8] Memorandum to Research Officer, Standing Committee on Public Accounts, from Deputy Minister, Ontario Ministry of Children and Youth Services, Toronto, 8 February 2006, pp. 1-4.

[9] Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-13.

[10] Ibid., p. P-25.

[11] Ibid., pp. P-13 – P-17 and P-23.

[12] Memorandum to Auditor General, Province of Ontario from Deputy Minister, Ontario Ministry of Children and Youth Services, Toronto, 26 May 2006, pp. 1 and 2.

[13] E-mail to Research Officer, Standing Committee on Public Accounts, from Director, Children and Youth at Risk Branch, Policy Development and Program Design Division, Ontario Ministry of Children and Youth Services, Toronto, 16 June 2006.

[14] Verbatim text from Standing Committee on Public Accounts, *Children's Mental Health* Services, p. 6. Based on Office the Provincial Auditor, *2003 Annual Report*, pp. 58-59.

[15] Standing Committee on Public Accounts, *Children's Mental Health Services*, pp. 9-10.

[16] Memorandum to Research Officer from Deputy Minister, 8 February 2006, pp. 4-5.

[17] Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-12 and P-25.

[18] Ibid., pp. P-25 – P-26.

[19] Memorandum to Auditor General from Deputy Minister, 26 May 2006, pp. 1 and 2.

[20] Verbatim text from Standing Committee on Public Accounts, *Children's Mental Health Services*, pp. 12-13. Based on Office of the Provincial Auditor, *2003 Annual Report*, pp. 67-68.

[21] Standing Committee on Public Accounts, *Children's Mental Health Services*, pp. 14-15.

[22] Memorandum to Research Officer from Deputy Minister, 8 February 2006, p. 8.

[23] Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-9.

[24] Ibid., pp. P-12 – P-13.

[25] Memorandum to Clerk, Standing Committee on Public Accounts, from Deputy Minister, Ontario Ministry of Children and Youth Services, Toronto, 25 May 2006, p. 1.

[26] Memorandum to Auditor General from Deputy Minister, 26 May 2006, p. 4.

[27] See Ontario, Office of the Provincial Auditor, *Report on the Review of the Intensive Early Intervention Program for Children with Autism* (Toronto: The Office, 4 November 2004).

[28] See Ontario, Legislative Assembly, Standing Committee on Public Accounts, *Official Report of Debates (Hansard)*, 1st Sess., 38th Parl. (18 November 2004).

[29] Memorandum to Research Officer, Standing Committee on Public Accounts, from Assistant Deputy Minister, Policy Development and Program Design, Ontario Ministry of Children and Youth Services, Toronto, 16 January 2006.

[30] Memorandum to Clerk from Deputy Minister, 25 May 2006, p. 4.

[31] Memorandum to Auditor General from Deputy Minister, 26 May 2006, p. 4.

[32] Office of the Provincial Auditor, *Report on the Review of the Intensive Early Intervention Program for Children with Autism*, p. 21.

[33] Memorandum to Research Officer from Assistant Deputy Minister, 16 January 2006, p. 1.

[34] Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-19.

[35] Memorandum to Clerk from Deputy Minister, 25 May 2006, pp. 1-2.

[36] Office of the Provincial Auditor, *Report on the Review of the Intensive Early Intervention Program for Children with Autism*, p. 23.

[37] Memorandum to Research Officer from Assistant Deputy Minister, 16 January 2006, pp. 1-2.

[38] Standing Committee on Public Accounts, *Official Report of Debates (Hansard)*, (16 February 2006): P-20.

39 Office of the Provincial Auditor, *Report on the Review of the Intensive Early Intervention Program for Children with Autism*, p. 23.
40 Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-11.
41 Office of the Provincial Auditor, *Report on the Review of the Intensive Early Intervention Program for Children with Autism*, p. 2.
42 Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-22.
43 Memorandum to Research Officer, Standing Committee on Public Accounts, from Assistant Deputy Minister, Policy Development and Program Design, p. 5.
44 Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-10.
45 Ibid., p. P-23.
46 Ibid., pp. P-17, P-18, P-21, P-22, and P-27.
47 Ibid., pp. P-10 and P-21.
48 Ibid., p. P-10.
49 Memorandum to Clerk from Deputy Minister, 25 May 2006, p. 4.
50 Office of the Provincial Auditor, *Report on the Review of the Intensive Early Intervention Program for Children with Autism*, p. 23.
51 Memorandum to Research Officer from Assistant Deputy Minister, 16 January 2006, p. 5.
52 Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-18 – P-19.
53 Memorandum to Research Officer from Assistant Deputy Minister, 16 January 2006, p. 5.
54 Standing Committee on Public Accounts, *Official Report of Debates* (16 February 2006): P-20.
55 Memorandum to Clerk from Deputy Minister, 25 May 2006, p. 3.