

FUNDING GUIDE AND SERVICE LEVELS

May 2010

*information
for service providers*



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overview of presentation

- negotiations with the CEO Network and CLAN
- introduction to the new funding guide
- use of established rates
- agreement with non-union service providers
- mandatory funding templates
- introduction to the concept of service levels
- reviewing service levels
- working relationships between CLBC and service providers

BACKGROUND

CLBC and the CEO Network have negotiated a new approach called the *CLBC Funding Guide*. We have worked together to resolve each issue in the old costing guidelines.

This marks a fundamental change in our relationship:

- recognizing we are interdependent
- funding and reporting which provides the opportunity to achieve and retain a surplus or profit
- funding which covers the cost of providing service

BACKGROUND

(continued ...)

- CLBC began formal negotiations with representatives of the CEO Network and CLAN BC in October 2009
- The goal was to establish an approach to funding that was reasonable, efficient, and fair
- The final product is the result of extensive consultation, ongoing collaboration, and research using actual data



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FUNDING GUIDE

CLBC'S *Funding Guide* has been developed as a reference for Quality Service staff who are required to assess the appropriateness of funding provided to service providers.

The guide provides a standardized approach for CLBC to fund contracts and helps create fairness and equity across the province.



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intent of the guide

- ensure that service providers have funding to meet reasonable costs associated with contracted services
- ensure the cost to CLBC is predictable and appropriate
- ensure that service providers are free to manage within their contractual obligations
- minimize variances in funding for comparable services throughout the province
- reduce the amount of time and effort required to analyze and negotiate contracts

changes

This guide differs from previous versions in several ways:

- reliance on funding standards that are based on real data
- more equitable funding for union and non-union providers
- mandatory format for funding model submissions
- focus on undelivered service rather than unearned revenue

ESTABLISHED RATES

The *Funding Guide* incorporates rates that reflect the actual experience of service providers. It uses two basic kinds of data:

- standard benchmarks
- real costs

benchmarks

Negotiation with service providers established standard rates in each of the following areas:

- wages and benefits for direct staffing, supervision, and backfill in staffed services
- supervisor to employee ratio in staffed services
- program costs and administration funding in home sharing
- wage and benefits for a home sharing manager



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rates set externally

The *Funding Guide* has also eliminated the need to negotiate by relying on actual costs in certain areas:

- Retirement Savings Plan (non-union only)
- Municipal Pension Plan
- Long-Term Disability

As costs for these benefits vary widely, CLBC funds according to the actual rates that are charged by the municipal pension plan and long term disability carriers.

direct staff – wages

This category includes employees who provide direct support to individuals and families:

Based on real costs from service provider data - CLBC has agreed to fund wages at a fixed rate of 3.75 of the CSSEA grid

This rate reflects the experience of 93% of providers

Hours provided by direct staff will be reported in service levels



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non-residential		residential	
days	%	days	%

basic benefits

CPP, EI, Worksafe BC		8.40		9.37
EHC, dental, MSP, Life, AD&D		7.48		7.48
LTD		actual rate		actual rate
MPP		actual rate		actual rate
SUB-TOTAL		23.88		24.85

non-residential		residential	
days	%	days	%

backfill

vacation	20.35	7.83	20.35	7.83
sick coverage	9.00	3.46	9.00	3.46
education and training	6.62	2.55	6.62	2.55
statutory holidays			16.50	6.35
SUB-TOTAL	35.97	13.83	52.47	20.18

non-residential		residential	
days	%	days	%

benefits on backfill				
CPP, EI, Worksafe BC		8.40		9.37
in-lieu benefits for casual staff		10.20		10.20
incremental benefits for PT staff providing backfill		0.61		0.61
SUB-TOTAL		19.21		20.18

supervision

This category includes employees who supervise direct staff. The supervisor may be in the bargaining unit or may be an excluded manager.

CLBC and the CEO Network have negotiated a fixed rate of 1 FTE supervisor for every 8 FTE direct staff. This provides flexibility in how service providers organize supervision and management while standardizing costs for CLBC.

Supervision will not be reported in service levels.

facility costs

The funding that CLBC provides for facility costs should reflect the unique nature of each circumstance.

New Contract
fair market rent

Existing Contracts
to be determined

other costs?

The guide still contains a number of negotiable items. These include:

- program costs for staffed services
- facility costs for staffed services
- manager to individual ratio in home sharing

Negotiations will focus primarily on the service levels that are required within each contract.

NON-UNION

The *Funding Guide* does not reflect differential rates between union and non-union service providers.

CLBC will fund the increased employer costs of non-union service providers that choose to enrol in the Municipal Pension Plan (MPP). Service providers will fund the first 3% of employer contributions.



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recruitment and retention

Funds to begin addressing recruitment and retention issues in the non-union sector will come from renegotiation of service levels and service redesign in the non-union sector.

As with unionized service providers, non-union providers will be expected to prepare CLBC budget templates for all services.



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recruitment and retention

(continued ...)

Agencies will re-negotiate service levels and reach mutual agreement on service levels and service redesign.

The provider will cost the agreed upon services using existing costs for wages, benefits, supervision and backfill, then compare the costs to the current contract values to determine the amount of the savings realized.



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recruitment and retention

(continued ...)

The service provider will retain 50% of the savings realized, to address issues of recruitment and retention on all contracts with CLBC, up to the rates in the *Funding Guide*.

CLBC will recover 50% of the savings realized to provide services to individuals and assist non-union agencies with serious recruitment and retention issues.

Savings retained by the provider will be applied to wages and benefits in their contracts. Non-union service providers will certify the savings were applied to wages and benefits. CLBC will conduct random audits to ensure compliance.



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new contracts

For competitive situations involving procurement of new or existing services, proposals would be received from union and non-union providers on an equal basis.

Contracts would be awarded based on a full review of all criteria including financial. There would not be a financial restriction on proposals from non-union providers.



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MANDATORY TEMPLATE

The funding templates are based on the guide and include all negotiated items. Much is calculated automatically.

The spreadsheets include validation features and clearly highlight items that are not consistent with the guide.

Service levels are automatically calculated by formulas within the funding model, so you need to ensure that information is correct and appropriate.

SERVICE LEVELS

Approximately 80% of funding goes to wages, benefits, and backfill of direct staffing. For this reason, we need to make sure we are funding direct staffing at an appropriate level. This is where the idea of service levels comes in.

The remaining 20% of funding covers program costs, facilities costs, direct supervision, and general administration. For these areas, we have set benchmarks or rely on actuals.



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defining service levels

Service levels are defined as the hours expended by a service provider in the delivery of service. Service levels include time spent on the direct delivery of service and the time spent by those who work directly with the individual on associated administrative tasks.

Although service levels for certain programs (home sharing, respite, cluster living) can be expressed as days, most are expressed in terms of hours.



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service levels include ...

- planning / goal-setting meetings
- maintaining log notes
- staff meetings
- gathering information related to the individual / family
- organizing activities for the individual / family
- preparing documentation and writing reports



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service levels exclude ...

- vacation days, sick days, education / training days, and statutory holidays for direct staffing
- time spent on supervision or dedicated coordination of the service
- time spent on general management or administration of the agency



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REVIEWING SERVICE LEVELS

Service levels for fixed contracts are typically reported once per year. Service levels for variable contracts are captured on the monthly invoice and do not require separate reporting.

Specific reporting requirements are included in Schedule D of CLBC's new contract template.

Report templates will be available through the CMS. In the meantime, service providers will report using a standard Excel format that is provided by CLBC.

general practice

Service providers are expected to deliver contracted service levels and to exercise judgement when responding to situations that arise during the course of a contract that require adjustments to service levels.

Service providers must inform CLBC as soon as it becomes apparent that service levels are likely to be over- or under-delivered for a reporting period. CLBC will respond promptly in these kinds of situations.



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resolving over-delivery

Identify the cause of over-delivery and consider:

- increasing contracted service levels to reflect increased disability-related need
- reducing service levels to be delivered for the remainder of the reporting period
- offsetting over-delivery against other contracts in which there is an expected under-delivery of service levels



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resolving under-delivery

Identify the cause of under-delivery and consider:

- decreasing contracted service levels to reflect reduced disability-related need
- referring new individuals or families to access the service on an ongoing or temporary basis
- increasing service levels during the remainder of the reporting period for those who already access the service
- offsetting under-delivery against other contracts in which there is an expected over-delivery of service levels



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unresolved issues

Where CLBC and service providers are unable to jointly resolve over- or under-delivery of contracted service levels, CLBC will fund the actual service levels that are delivered subject to the maximum specified in the contract.

Service providers will repay CLBC funding for undelivered service.



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WORKING RELATIONSHIPS

Inconsistent or non-application of the *Funding Guide* will have a negative impact on the working relationship between CLBC and service providers.

The guide is meant to be a “living document”. CLBC and service providers have agreed to revisit the funding standards that have been negotiated as required. In the meantime, the rates must be universally applied.



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interdependency

In applying the *Funding Guide* and establishing contracts, staff and service providers must:

- work in partnership with each other, along with individuals and families, using the principles of collaboration to address the disability-related needs of individuals
- demonstrate mutual respect for their respective roles and governance requirements
- demonstrate transparency, consistency, equity and fairness in all working relationships



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interdependency

(continued ...)

- be responsive to established accountability requirements
- ensure relevant information is shared and differences are addressed in a timely fashion
- recognize that time is of the essence in all matters impacting individuals and their families



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interdependency

(continued ...)

- work together to ensure that required contractor funding changes are supported by a mutually agreed upon approach that honours person-centred thinking and planning and recognizes the need for both parties to address critical operating requirements
- work in partnership with each other to implement changes (including policies, procedures, regulations and legislation) in a way that minimizes the potential increase to costs
- work in partnership to support the sustainability of the Community Living sector



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NEXT STEPS

- resolve historic issues regarding funding for facilities (market versus economic rent)
- regional training for all QS staff
- regional orientation sessions for service providers