# Operational Review
# of the
# Ottawa Community Care
# Access Centre (OCCAC)

September 2004

 Ontario

# Table of Contents

## EXECUTIVE SUMMARY

The Ottawa Community Care Access Centre has been operating under a new Board and administration since February 2002.  During the subsequent two years there have been numerous changes and initiatives undertaken.  As a result, the overall impression is that of an organization experiencing "change weariness", with staff at all levels showing signs of stress.  In addition, the OCCAC has been the object of considerable local public criticism, which has caused demoralization within the organization. The criticism has been mainly directed at some of the new projects undertaken, the agency's overly enthusiastic attempts at public communication, and the concurrent reductions in client services.

The Board's rationale for many of the changes it has initiated was that the agency was in a mess when this Board took over.  The evidence did not support this allegation.  However, this position has been hurtful to long-time staff.

The OCCAC has a strong commitment to client services.  However, the focus on so many new projects appears to have left little time and energy for management to address the basic day-to-day service mandate.  The projects also, while intended to save administrative costs and apply the savings to client services, had the opposite result – the costs of two major projects required substantial amounts to be covered by funding that could otherwise have been available for client services.  This was largely due to flawed decision-making.  Decisions were made in haste and without an adequate evaluation of options, costs and benefits.  It appears the public had cause for concern.

**Major Findings and Observations**

**Organizational Strengths:**

The OCCAC has many strengths that can be built upon:

- A strong commitment to client services exists throughout the organization;
- The Board has tried to be proactive and innovative and had intended to save administrative costs;
- Staff are well qualified and experienced.  There is much expertise among management, and clients and agency representatives with whom they work generally found case managers to be helpful;
- The organization has been skillful in avoiding budget deficits;
- The routine financial management is strong;
- The placement coordination service is operated in compliance with the basic requirements of provincial policy (although some customers have found the placement process too slow);
- The OCCAC is using an excellent decision-making process in a recent process to establish priorities for client services;

- Client records are adequate;
- The service from the telephone reception was found by people interviewed to be highly responsive; and
- The OCCAC's original decision to divest unneeded space at the Labelle Street office was a good decision.

**Areas for Improvement**

The Board Chair has been too involved in the day-to-day operations, being seen by many inside the OCCAC and in the community to be functioning in the role of Executive Director.

The Board has only recently developed a structure for itself that supports its requirements to function within an appropriate governance model. However, it has not yet implemented the structure.

Board communication with the community has been ineffective.

Orientation and training of Board members have been inadequate.

The OCCAC needs to focus on improving the basics of its core services, its mandate and its organizational functioning. Basic organizational work identified as needed in the internal review and in external reviews:

- Greater attention to service to its full range of customers;
- The documentation of complete and comprehensive client services policies and procedures;
- Continued work with hospitals, long-term care facilities, and families of clients, to ensure that the process of placement in long-term care is completed as quickly and as effectively as possible.
- Some OCCAC clients found they were not given enough information about the placement process and facility options;
- Streamlining of admissions to Adult Day Programs;
- A need identified by Long-Term Care Facilities for a return to regular meetings
- Management of waiting lists;
- Role clarification for the new position of Client Service Representative
- A system of staff performance evaluation;
- Although client records were found to be adequate, there are still some improvements needed.
- More efficient use of the RAI-HC client assessment instrument; and
- Implementation of the case manager Resource Allocation Framework.

 (The latter two initiatives are Ministry requirements for all CCACs in the province). There are concerns by many in the community that the OCCAC does not understand the value of support services in keeping people in their homes.

The CCAC's decision-making was seriously flawed with respect to major projects, incurring extensive administrative costs while waiting lists for services grew:

The decision to decentralize was intended to save one million dollars in administrative costs, whereas the review team projected that it will cost an additional two to three million dollars (once all relevant savings and costs are considered), which otherwise could have been available for client services. While some staff enjoy the smaller local offices, they are inefficient in terms of office supports, and the benefit to clients has not been objectively demonstrated.

The decision to purchase a complex computer software package for case management, service ordering, and the reconciliation of purchased service billings (Integrated Care Management System) was intended to streamline and modernize these business processes. The system purchased does not include the latter two essential financial components, and the vendor has so far been unable to create them. Options such as building upon the existing system for ordering and reconciling client services and supplies (OASIS) were not pursued, nor was there an assessment of the impact of the extra work on staff, and the risks inherent in trying to implement an untested system. (Apparently the case management portion of the system chosen has been used in BC, but in that province there is no need to include the ordering and reconciliation of purchased client services since services are provided directly by staff.) Waiting for the Ministry to complete its work on the system being designed for all CCACs in the province was not seen as an option. The costs will ultimately be in excess of two million dollars, with so far no delivery of a working system with all the necessary components. Costs for the Information Technology Consultant working with the OCCAC on the project have already exceeded $400,000, which includes the original sole-sourced contract plus renewals. While CCAC impatience with waiting for the provincially developed and funded information system is understandable, the amount of time this provincial project has taken might be an indication of the difficulty of the development work. At least the provincial system will not require funds from local CCAC budgets that would otherwise be available for client services.

Decisions for implementing changes to client services (e.g., limiting ADP assessments, requiring individual service providers to provide all three of nursing, personal care and nutrition services) were undertaken without fully assessing the impact on the community and clients. If there had been better consultation prior to implementing the plans, the benefit of community wisdom could have improved the result.
Relationships with some community partners have become strained. Although some hospitals, at the Board and CEO level, report good relationships with the OCCAC, other hospitals and community service agencies have lost trust in the agency. This seems to have been mainly due to perceptions of poor collaboration, communication and consultation.

The attempts at "good news" public communication have been irritating to many in the community. The public relations attempts have been seen as self-congratulatory, and expensive.

There is an excessive use of consultants.  This is not only a major administrative expense, but appears to deny, and fails to take advantage of, internal expertise.

**Highlights of Key Recommendations**:

1. Implement a system of evaluation for the Board and its Chair;
2. The current Board Chair should be changed to give impetus to the OCCAC to refocus its energies;
3. Implement some renewal of Board members, using a recruitment process that invites community participation, as outlined in Ministry policy;
4. Implement a governance structure and process that is consistent with generally accepted good practices;
5. Ensure Board meetings are open, and seen to be open, to the community;
6. Replace the rather secretive Board attitude toward the community and the Ministry with an attitude of openness and collaboration;
7. Change Board communication strategy to one that is candid and transparent, and seen to be so.  Consider creating a Board communication committee;
8. Implement a regular Board orientation and training process in which all Board members participate;
9. Develop detailed performance objectives for the Executive Director; performance to be reviewed by the Board within six months;
10. Concentrate priorities and focus on the CCAC's primary mandate and core business.
11. Stop further expansion to satellite offices until costs and benefits are fully evaluated, and unneeded space at Labelle St. has been surrendered;
12. Cease further expenditure on the Integrated Care Management System until the Ministry has had an opportunity to objectively evaluate whether the system will have any provincial application.  If it is found to be valuable and of provincial use, the Ministry should fund it separately from the local OCCAC operating budget, and supervise the implementation;
13. Redirect available OCCAC resources toward the maintenance of the existing OCCAC Information Technology;
14. Complete client services policies and procedures;
15. Concentrate on supporting case managers to become more adept at using the RAI-HC assessment instrument so that it is used appropriately and takes less time to complete, while still providing high quality care plans;
16. Implement the case manager Resource Allocation Framework required by the Ministry;
17. Begin a system of performance evaluation for all staff, including the Executive Director;
18. Follow the decision-making model being currently used for establishing client service priorities when making future policy decisions that will affect clients, local agencies or other partners in the community;

19. Concentrate on trying to regain the trust of community partners through open exchanges of information, true consultation and collaboration.  The community partners will need to do their part by being open to, and supportive of, the OCCAC's efforts to improve relationships.  Build on any good relationships that exist between individuals;
20. Restrain the OCCAC's public rhetoric, and be modest in public communications.  Let actions speak louder than words;
21. Stop the heavy reliance on outside consultants, and use internal expertise; and
22. Minimize further organizational change.

# OTTAWA COMMUNITY CARE ACCESS CENTRE
# OPERATIONAL REVIEW

## INTRODUCTION

In March 2004, the Minister of Health and Long-Term Care announced that the Ministry would be conducting an operational review of the Ottawa Community Care Access Centre (OCCAC). This decision was made in response to issues raised by members of the Ottawa community, and the local media, regarding OCCAC services and in response to a request by Ottawa City Council for an operational review.

The Terms of Reference for the operational review indicate the purpose of the review is to assure the people of Ottawa that their Access Centre is operating with their best interests in mind. The scope of the review includes governance structures and processes, strategic decision-making, services to clients, and financial management. The complete *Terms of Reference* document is included as Appendix A at the end of this report.

In the course of discussions with key informants in the community, issues were raised that relate to Ministry policy under which CCACs must operate. This review was not intended to address provincial policy, but because people have identified concerns about some of these policies, a list of the policy issues most commonly raised has been included in the appendices. In many instances the policy comments reflected a misunderstanding of provincial policy, and we have attempted to clarify these policy elements in the relevant sections of the body of the report.

The management of CCACs is particularly challenging because of the need to keep costs in line with revenue. The home care portion of CCAC services, which is the largest of the CCAC activities, is where the difficulties arise. Clients and services are being added constantly, and without careful measures to monitor and control growth, costs can quickly surpass funding. Admitting clients for service, without also discharging clients as soon as service plan goals are met, creates a snowball effect whereby no amount of money would ever be enough.

This difficulty is increased because of the nature of government funding. It has proven difficult for the Ministry to approve budgets at the beginning of the provincial and CCAC fiscal year (April 1st), and often CCAC budgets are not approved until well into the year. Although the Ottawa CCAC has not had funding cuts, the amount of annual funding increase over the previous year may not be known at the beginning of the fiscal year (April). The result is that as one year ends and another begins, service costs have to be contained within the previous year's annual funding amount. Later in the year, if additional funding is approved, CCACs can expand services, and attempt to use the full year's funding increase in the remaining part of the year.

This increases the level of service activity, sometimes temporarily. The Ministry must retrieve unspent funds at year-end.

Accordingly, at year-end and until the next year's budget is approved, service activity may have to again be slowed until the new funding level is known. In addition, as service costs are monitored at the CCAC, adjustments have to be made to service levels from time to time to stay within budget. These factors result in increases and decreases in service availability.

With the constant motion of millions of dollars in expenditures flowing for services to thousands of clients, making adjustments to expenditure levels is not an easy task, and over-correction leading to year-end surpluses can occur. CCACs get better at managing resources with experience, but under the best of circumstances it is difficult to be absolutely precise in making expenditure adjustments.

While CCACs have been given this challenging mandate, they also have the power that goes with it. CCACs determine the level of service each client will receive. They also have power over which agencies get contracts to provide service (within a process set out in provincial policy) affecting jobs and the amount that businesses and individuals earn. This much power requires great care on the part of CCACs to avoid the negative behaviour that can accompany power. Therefore, CCACs have to be especially sensitive to the legitimate feelings of vulnerability among people in their communities.
If CCAC personnel at all levels constantly make every effort to share power through true consultation, effective communication, and collaboration with clients, agencies and community members, and through careful consideration of the needs of those affected by CCAC decisions, the result should be improvement to both relationships and services. This is especially relevant for the Ottawa CCAC. Because of its size, the Ottawa CCAC has a major impact on its community in many ways. As a result, public scrutiny of CCAC operations can be a valuable check on this essential service. Public comments are most effective when they are constructive. Extremely negative comments demoralize staff, and can lead to a fortress mentality, having a detrimental effect on operations, and service.

**BACKGROUND**

CCACs were created in 1997 by the Ministry of Health and Long-Term Care by combining home care services with placement co-ordination services, to provide simplified access for people needing services at home, at school, or in long-term care facilities. Under the original corporate model, communities participated in the selection of Board members, and the Boards selected their Executive Directors. There were Annual General Meetings attended by community members who purchased memberships in the corporation. In Ottawa these meetings have been described as "lively" and well attended.

In 2001, the previous provincial government enacted the *Community Care Access Corporations Act.* This legislation changed the type of agency classification for all CCACs across the province to a statutory corporation of the Government of Ontario. The Act required CCAC Board members and Executive Directors to be appointed by the provincial government through an Order-in-Council.

The mandate of CCACs, as described in the Act, is summarized as follows:

- To provide health and related social services, supplies and equipment to care for people (at home or in school);
- To provide goods and services to assist relatives, friends and others, in the provision of the care;
- To manage the placement of people into long-term care facilities;
- To provide information to the public about community services, long-term care facilities, and related health and social services; and
- To co-operate with other community organizations.

In Ottawa, members of the community have expressed unhappiness with the new model for CCAC Boards. They missed the opportunity for greater community involvement that the previous model provided. In addition, some people interviewed acknowledged that they dislike the basic CCAC concept and service model, some stating a preference for the Multi-Service Agency model proposed by the NDP government in the early 1990s. Also, the fact that some local organizations have been unsuccessful in retaining service contracts with the CCAC through the RFP process has influenced feelings and reactions within the community. People also have commented, in the course of interviews, that Ottawa is a very politically sensitive and active city.

Inside the organization, some staff were upset when the previous Executive Director, and subsequently other senior managers, were replaced. Severe recent criticism of the OCCAC in the local press has been demoralizing for staff.

Over the past two years knowledgeable people have been watching the agency's performance with keen interest. The new board, with a mandate to manage within its budget, took over at a time in the fiscal year when the funding cycle required cost containment, although the previous Board had made service reductions and brought costs in line as the year end approached. Further service reductions at this time created heightened concern. When subsequently the OCCAC proceeded with what appeared to be expensive administrative commitments (e.g., hiring consultants, new offices and a new information system), public concerns about the OCCAC's priorities arose. This is the atmosphere in which the OCCAC exists at the time of this review.

**REVIEW PROCESS**

**Review Period**

The period of OCCAC operations reviewed was 2002 to the present.

**Team**

The review was conducted by a team of eight people, six of whom were Government staff from other parts of the province - Kingston, Hamilton and Toronto - while the project lead and the governance reviewer were from outside government (see Appendix A). Three reviewers undertook the review of the OCCAC financial management, two conducted the client service review, and two people reviewed the overall management. The governance reviewer examined the functioning of the Board of Directors and also participated in the management review.

**Principles**

The process was guided by the principles of fairness and transparency.

**Framework**

To ensure objectivity and fairness, a broad generic framework that originated as a Government of Ontario Management Board Accountability Guide was used.

The elements of the framework include: setting expectations, contracting, monitoring, reporting, analyzing, and taking corrective action.

Setting Expectations: To ensure fairness, expectations for performance must be clear and known to the agency. For CCACs, expectations have been set by Government in legislation, policy, guidelines, and directives. Expectations are also set within the agency through by-laws, policies and procedures, job descriptions, etc. In some cases generally accepted good practices have been used to assess performance. These expectations became the standards against which the OCCAC's performance was measured.

Contracting: Contracts spell out expectations. The expectations for CCACs are currently outlined in a Memorandum of Understanding (MOU) between the Government and individual CCACs. This outlines the responsibilities of the agency and of the Ministry. The CCACs also have contracts with other agencies and suppliers, and with staff.

Reporting: There are many types of reports that allow CCACs and reviewers to monitor performance. They include client records, financial and statistical reports, Board Minutes, records of complaints, etc.

Monitoring: CCACs are expected to monitor their performance. The review looked at how the OCCAC monitored and evaluated its processes and results, how effective the monitoring was, and how problems were identified.

Analysis of information obtained through reports, and from other sources, helps to clarify the issues, and assists in determining the corrective action needed. Reviewers also looked at how accurate and timely the analysis was.

Correcting: The final element of the framework is taking corrective action. The review assessed what the CCAC does to correct problems identified.

## General Process

The subgroups within the team worked on the areas in which they had expertise. The detailed review process for each subject area was tailored by those doing the reviews of the specific sections. They selected and developed tools for data gathering, collected data through document and report reviews, and through internal and external interviews.

Information was also gathered from over 50 community members: 10 clients of all ages and their family members, three organizations representing client groups, 38 representatives of service provider agencies, community support services, community health agencies, three associations of health and social services providers, hospitals, long-term care facilities, health and social services professionals – individuals and groups, and three representatives of the City of Ottawa – at both the political and staff levels.

## Analysis

The data collected was analyzed individually by team members, and jointly by the team as a whole, to see if practices were consistent with standards, and if decision-making processes were sound. The external interviews were helpful in providing information on the perspective of the community "customers" of the CCAC.

## Report Development

Each team member prepared a component of the report, outlining the specific review process used, the standards applied observations, and recommendations. The reports were then reviewed by other members of the team.

Finally, the components were combined into the full report.

# PART III

## GOVERNANCE REVIEW

The Minister of Health and Long Term Care announced in March of 2004 that the Ministry would be conducting an operational review of the OCCAC for the purpose of assuring the people of Ottawa that their CCAC is operating in the best interests of the community. The scope of the operational review was to include a governance structures and processes review by an independent governance reviewer.

**Scope of the Review:**

As set out in the Terms of Reference (Section III, paragraph 1 of Terms of Reference), the scope of the review related to the review of governance is to determine the adherence to the overall CCAC governance structures and processes and the impact on strategic decision making.

**Objectives:**

The objectives of the operational review related to governance are:
- To determine if the Board of Directors (the "Board") of the OCCAC is functioning within the parameters of the MOU for CCACs (Section III, paragraph 6 of Terms of Reference);
- To determine if the resources of the OCCAC are optimally allocated to meet the needs of its clients (Section III, paragraph 7 of Terms of Reference);
- To review the internal decision-making processes of the OCCAC and evaluate their impact on the focus and function of the OCCAC (Section III, paragraph 8 of Terms of Reference);
- To identify the findings of the review (Section III, paragraph 11 of Terms of Reference); and
- To develop recommendations and strategies after Ministerial review of identified issues (Section III, paragraph 12 of Terms of Reference).

Within these broad objectives for the governance review as set out in the Terms of Reference, the governance reviewer has determined a sub-set of objectives:

- To evaluate the role, operation and performance of the Chair of the Board ("Chair") and of the Board itself in governing the OCCAC;
- To evaluate the governance structures and processes, including strategic decision-making, utilized by the Board;
- To determine if the Board is leading and directing the work and effective performance of the OCCAC (See Section V "governance reviewer" of Terms of Reference); and
- To make recommendations for enhancing governance effectiveness.

**Review Process:**

All aspects of the governance review have been carried out in a fair and transparent manner. The review included a document review of Board structure, by-laws, communication systems, membership, meeting minutes, policies and procedures. It looked at the strategic direction, priority setting and related resource allocation policies, processes, procedures and decisions. In a very limited way the governance review assessed human relations strategies. Selected community members and service provision agencies were interviewed. Practices of the OCCAC in relation to various guidelines and recommendations were considered (See Section IV, paragraphs 13, 15, 16, 17, 21 and 22 of Terms of Reference).

In addition the governance reviewer conducted in-depth interviews with, and, in some cases, reviewed submissions by, the Chair, selected members of the Board, the Executive Director, other OCCAC staff, partner agencies, OCCAC clients and interested community members.
It is intended that the governance review be a comprehensive examination of governance and related matters. It includes:

- An examination of the Board's understanding of its role;
- An evaluation of the Board in fulfilling the proper role of a governing authority;
- A review of the relationship between the Board and the senior management group led by the Executive Director;
- The review of the Chair's involvement in the operations of the OCCAC and his relationship with the Board and with the senior management group, including the Executive Director;
- The Board's response to its obligation of public accountability including communications and involvement with the community, Board orientation and on-going education;
- Board self-evaluation leading to identification of required skill sets for members of the Board; and
- Corporate record keeping.

While the governance examination attempts to deal with overall patterns rather than isolated incidents, some specific incidents will be referred to as illustrative of the observations of the governance reviewer.

The governance reviewer believes that the examination of the issues identified through the series of interviews, submissions, discussions and the review of the documentation was sufficiently comprehensive to properly form the basis of this report.

**Standards Applied:**

The review applied standards and "best practices" of governance as set out in international and Canadian studies.  The decade of the 1990's was prolific in producing literature dealing with the standards of governance both for the private sector and for

public institutions such that a collection of such literature would now form a significant part of a good sized library. Some of this literature specifically deals with governance of health care institutions. A bibliography of significant literature that could be applied to health care governance is contained in Appendix H to this report.

It should be noted that this bibliography of resources on governance principles was specifically available to the OCCAC as it forms "Appendix C" to the "*Community Care Access Centres Board Education & Development Program Resource Guide*" published by the Ministry in April 2002.

**Observations:**

The governance reviewer has a series of observations with regard to the governance of the OCCAC. For ease of reading and future reference these observations are set out under several subject headings. As well, the recommendations relating to each subject are at the end of each section.

**A. Chair**

The role of the Chair in governance is critical. The Chair is usually the most influential factor in ensuring proper governance practices are followed. Crucial to the role of a Chair is leadership qualities - not functional or technical expertise - and the exercise of judgement. The Chair must be able to focus the Board on the OCCAC's mission and the responsibilities of the Board as the governing authority. The Chair must demand continuous improvement of the Board in order to deliver on the expectations of and accountability to the community the Board serves. The same person has occupied the position of Chair throughout the review period, 2002 to mid-2004. The Chair has exhibited strong leadership qualities which have, generally, caused the Board and senior management to follow the path set out by him. The character and style of governance and to some extent management has been determined by the Chair.

The Chair's dedication and commitment to the OCCAC is unquestioned. He has expended such an incredible amount of volunteer time in fulfilling his role that, universally, he has astounded members of the Board and the senior management team with the time he has devoted to the OCCAC. His involvement, however, does raise the question of whether potential successors to the Chair will be discouraged from serving because of the difficulty of devoting so much time to the position. In addition to inhibiting succession planning, the larger question must be answered as to whether such a devotion of time is appropriate in a properly governed operation. The Chair's motives of pushing initiatives to make things better, to better serve the OCCAC clients and the Ottawa community can not be assailed.

The Chair has approached his duties at the CCAC with a clear vision of what he wants to accomplish. A shift away from administrative expenses to provide more funds for service to clients is a clearly articulated goal of the Chair with which no one can quarrel.

16

The impetus to streamline administrative systems and reduce the paper burden on administration is commendable and could assist to reduce administrative expense. The concept of having the OCCAC more closely connected to its clients and the community at large, while at the same time reducing OCCAC accommodation expenses, is admirable. While the Board adopted this vision, it apparently originated from the Chair.

The Chair's agenda focused on/was to implement his goals as quickly as possible. This occurred at the expense of proper planning and decision-making and without the time necessary being taken to ensure that the goals could actually be achieved and could be achieved in a cost-effective manner.

The Chair was the main proponent of establishing satellite offices to achieve his goal of having the OCCAC connected more closely to its clients and the community and saving accommodation expenses. While the Board supported this vision it was the Chair who proposed, including obtaining Board approvals. Staff at the OCCAC were, however, not given the opportunity to properly plan such satellite offices, develop a series of alternatives for such satellite offices, properly cost the alternatives and analyse the strengths and weaknesses of the alternatives. It emerged the Chair had a second goal in relation to the location of the satellite offices - they were to be in high visibility areas combined with a branding exercise related to the name so as to make the organization more visible to the community at large. Staff were directed by the Chair to restrict their analysis to support satellite offices that met the Chair's second goal. Again, the Chair's second goal was supported by the Board. There was, however, no consideration that the costs of implementing the second goal were such as to reduce or eliminate the economic benefits of the first goal.

There also was no evaluation system designed to determine if the satellite office concept would achieve any of the goals that drove the decision - did it connect better to the community than the OCCAC existing central office, did it save accommodation costs, was the visibility worth the expense. Most of these questions remain unanswered.

The Chair's decision to develop and open three satellite offices before the concept of a satellite office had been fully evaluated (perhaps because there was no established evaluation system), before the excess space at the central OCCAC office at 4200 Labelle Street, Ottawa was sub-leased or disposed of, and before the costs of the first office were analysed did not allow for proper planning and decision-making. This remains the situation. There are only anecdotal stories, largely emanating from staff, about the functional advantages of satellite offices. The disposal of excess space at Labelle Street has not yet been accomplished which results in increased accommodation costs rather than savings in this area of administration. The costs of each of the three satellite offices went over budget by a huge margin. The increased accommodation costs and the cost overruns for the satellite offices has caused a decrease in funds available for client services - a result directly contrary to the vision of the Chair.

Whether the cost overrun at the first satellite office (Carlingwood Shopping Centre) could be ascribed to the Chair is not clear. The design and planning guidelines developed by the

consultant (In Tempo Design Studio) with the OCCAC staff do refer to a concern about lack of time and its potential impact on the planning process. The cost overruns in the next two satellite offices (Hazeldean Mall and Place d'Orleans Shopping Centre) could have been avoided, or the costs more accurately predicted, if time was taken to properly evaluate the first satellite office, including its one-time costs. It is interesting to note that the OCCAC budget for the current year still shows the costs for an as yet undeveloped fourth satellite office as $200,000, whereas the actual costs for each of the three opened satellite offices well exceed $300,000.

Similarly, the Chair's decision to achieve the goal of streamlining administrative systems and reducing the paper burden, and, therefore, administrative costs, impacted the OCCAC's attempt to acquire an ICMS.

Staff had raised concerns with the Chair about single sourcing the ICMS consultant in breach of Management Board Secretariat Directives in order to meet the deadline imposed by the Board and that Ministry approval would be required for such a purchase. The Chair directed staff to proceed despite these concerns. The reason for not following the approved process for selection of the ICMS consultant was that "there wasn't time". The ICMS consulting contract cost to date has exceeded $400,000.

It is, in practice, a very difficult line to establish between governance and management. The literature on governance is replete with admonitions that governing authorities must not step over the boundary into management. It is, in real life, harder to determine exactly where that line exists. This governance reviewer believes that, to some extent, this line shifts depending upon the confidence in management held by the governing authority. However, both the Chair and the Board have universally supported the Executive Director and senior management as being fully competent and there is no evidence of a lack of confidence by the governing authority in the ability of management of the OCCAC to do its job.

Nevertheless, the Chair involved himself, more than on an occasional basis, in what should have been left to management. It was the Chair's interaction with OCCAC managerial staff that largely determined the site selection for the satellite offices and even the Executive Director did not appear to be involved in this decision-making. For example, staff were advised to find space in Place d'Orleans. The Chair referred the OCCAC to the single source consultant for the branding exercise. The Chair influenced a change in accounting practice of the OCCAC to only show one-fifth of the projected costs of the disposal of excess space at Labelle Street in the 2004-2005 budget. The Chair arranged and attended a meeting with Nortel Networks and the ICMS consultant relating to the ICMS project without even informing staff. Staff interviews clearly indicated that staff felt the Chair disempowered them.

The Chair of any organization is, of necessity, the public face and spokesperson for the organization. The Chair was obviously quite comfortable in dealing with the media and the public and, in many instances, his skill in this area served the OCCAC well. This is not always true for those who occupy a voluntary position because of their commitment

to the purposes of the organization they serve. Again, the Chair demonstrated strong leadership and, almost to the exclusion of the Executive Director and the Board, became the focus of authority over the OCCAC in the minds of the media and the community.

The OCCAC staff perception of the Chair's public comments, however, has resulted in human relations problem. It is felt that the Chair is taking the approach that everything associated with the operation of the OCCAC prior to his appointment as Chair was inadequate. The staff perceives this to include them and not just the previous Board and the previous Executive Director. Some staff felt this so strongly that they resigned or threatened to resign. There is widespread alienation of the staff.

One of the main responsibilities of a governing authority is to hire, delegate authority to, evaluate, have a succession plan developed for and, if necessary, fire the chief executive officer of the organization. To the extent this responsibility was fulfilled at all, it was assumed by the Chair alone. The Chair's evaluation of the Executive Director amounted to nothing more than verbal exchanges on an irregular basis. There was no setting of objectives, establishment of performance milestones, measurement of whether objectives were achieved or performance milestones reached, documentation of evaluation or involvement in the evaluation by other Board members.

It appears that in the view of the Chair the objectives of the Executive Director were to do what the Chair wanted done. To a significant degree the Executive Director was treated as an Executive Assistant to the Chair and was not allowed to assume the proper role as the Chief Executive Officer. The lack of clearly setting out agreed upon written objectives may be one reason the Chair strayed into management territory.

Some organizations have been, properly, so sensitive to establishing a proper line between management and governance that they have developed a written delegation of authority policy by which the line between management and governance is clearly established and the Board grants full authority to the Chief Executive Officer over management. Such a method of proceeding would have served the Chair, the Board and the senior management well at the OCCAC.

Finally, it is incumbent upon any chair of a board of directors to lead his or her board into proper governance practices. There is no evidence that the Chair was driving the OCCAC Board to improve its quality of governance. He was driving the Board to support the vision and not to pay attention to standards of and improvement in governance. This lack of proper governance by the Board has resulted in some major projects, such as the development of satellite offices and the acquisition of a new ICMS system not achieving the vision and yet still being actively pursued. He did not insist the Board undergo proper orientation and on-going education, undertake a self-evaluation system, become involved in evaluation of senior management, deal with community relations and communications.

**Recommendation 1:**

In order to provide impetus to the OCCAC to move forward as rapidly as possible to improved good governance practices, to put behind it the disruptive period between 2002 and today and to allow it to grow, the Chair should be changed as soon as a replacement, who preferably would have experience in governance, can be identified.

**Recommendation 2:**

The OCCAC Board should consider establishing a Delegation of Authority policy to clearly delineate the responsibilities and authority of the Executive Director against which the Executive Director can be evaluated by the Board and which will establish the line between governance and management to guide the Chair, the Board and the Executive Director.

**B. Board**

Upon the 2001 statutory change in structure to CCACs, which eliminated membership in a CCAC corporation and annual general meetings of those members, the Board became the sole governing authority of the OCCAC.

Governance is the process of leading, evaluating and improving performance of an organization to ensure the achievement of proper outcomes for the people served by the organization. Governance must create, sustain and continually improve structures and processes that achieve this end and do so with transparency and accountability to stakeholders.

As the governing authority it is the responsibility of the Board to take whatever steps are necessary to achieve good governance and to utilize best practices of governance. Some of the best practices in governance relate to specific subjects which will be dealt with individually later in this Report.

It is worth referring to *A Code of Good Governance Practices* developed by the Panel on Accountability and Governance in the Voluntary Sector, which suggests that good governance consists of:

- Ensuring the board understands its responsibilities and avoids conflicts of interest;
- Undertaking strategic planning aimed at carrying out the mission;
- Being transparent, including communicating to the members, stakeholders and the public and responding appropriately to requests for information;
- Developing appropriate structures for the organization;
- Maintaining fiscal responsibility;
- Ensuring that an effective management team is in place and providing oversight of human resources;
- Implementing outcome-based assessment and control systems; and

- Planning for the succession and diversity of the board.

While there are other takes on what constitutes good governance and while no definition of good governance is perfect, a governing authority that follows the Code and adapts it to the particular circumstances of its organization can not go far wrong.

Increasingly, public sector governing authorities are facing a high demand for transparency and accountability. The dilemma of those who govern health care organizations is to reconcile ever increasing and unlimited demands for services essential for those requiring the services with limited resources. It is, therefore, crucial that such reconciliation be arrived at by governing authorities in a fair, transparent manner that is understood by their stakeholders because the governing authorities will be held accountable to those they serve for the way such reconciliation is achieved.

The demands of good governance place a sometimes-intolerable burden upon volunteers who donate their time and skills for the benefit of the community. The dedication and commitment of the members of the OCCAC Board can not be challenged. They are all there to try to serve their community, to attempt to improve the way things are and to do what is right for the clients served by the OCCAC, the staff of the OCCAC and the people of Ottawa. They are all good quality people with good motivation. To achieve good governance, no matter which definition is used, first requires the governors to be high quality people properly motivated. The Board of the OCCAC meets this over-arcing requirement. It is too easy to criticize without appreciating the required knowledge, skill and time involved in delivering on a commitment to provide good governance.

After the personal quality of the governors, however, the next requirement for good governance is a mind-set among those governors to challenge, ask the difficult questions, require proper information from management and from the Board's Chair and its own members tasked with a particular matter and to question changing information, to continually evaluate matters brought before them and to insist on the organization following good governance practices. In other words, stand up and be counted on every issue dealt with or that should be dealt with by a governing authority, be engaged. It is in this that the OCCAC Board has fallen short.

This governance deficit shows in some of the major projects of the OCCAC.

A project of immense impact, financially and operationally, was the shift to satellite offices which was a Board approved project. However, when the Board made the accommodation decision it allowed itself to do so without requiring a complete scan of all possible options with the financial impact of each option clearly spelled out and without an assessment of the strengths and weaknesses of each option. For example, the option to establish satellite offices in existing community service health partners premises and share administration costs with those partners was never fully canvassed as to operational feasibility or financial impact. The Board had no information about planning for staff accommodation, either when it first made the accommodation decision or later in

August of 2003 when it decided to proceed with reduced space in the second and third satellite offices.

No one on the Board seemed to question the planning for technology links to the proposed satellite offices, file access problems, the multiple administrative support costs such as for receptionists and the cost of travel time to administer multiple locations. There was no investigation or report on the difficulty of managing multiple offices.

The Board approved the accommodation shift without requiring the establishment of a formal evaluation system to determine if the first satellite office achieved the purpose of moving to such an accommodation system.

There appeared to be no questioning by the Board as to the cause of the budget overrun when the original development cost of the first satellite office rose from the budgeted amount of $ 166,333 to an actual of $ 353,195. An August 20, 2003 Memorandum from the Executive Director to the Board indicated the total one-time costs related to opening this (i.e., the first) satellite were: Renovation $ 291,283, Moving $ 4,000. (which figures somewhat justified the comment in the same Memorandum one-time costs related to renovating space and moving are expected to be $ 300,000 per satellite (retail de-centralized) office based on the Carlingwood experience. The Board In-Camera Minutes of August 27, 2003 show no Board questioning of this 80% budget overrun for the first satellite office. Likewise, when the final figures were in showing a budget overrun for the first satellite office of over 112%, the Board said nothing.

Indeed, there has been no question raised by the Board as to why the OCCAC budget is still carrying the cost of the development of a fourth satellite office at $ 200,000, after the experience with the costs of the first three satellite offices and after being told the cost of each satellite office would be $ 300,000 (which appears to be still too low an estimate).

Throughout there seemed to be little hesitation by the Board in proceeding with the second and third satellite offices which had also been budgeted at $ 166,333 each (and came in at $ 329,322 and $ 321,562 respectively).

One would have thought a critical examination of the proposal for satellite offices would have resulted in the Board, at the beginning, requiring an evaluation of the first satellite office before proceeding with further satellite offices. The OCCAC Board, not only did not require a pause after the first satellite office opened for evaluation but, even when warned by staff about the significant risk of not being able to dispose of excess space at Labelle Street in the Memorandum of August 20, 2003, which was the economic justification for satellite offices, decided to proceed with the next two satellite offices. At this juncture, one would have thought the Board, in light of the warning received from staff, would have tried to time the disposal of space at Labelle Street with the development of the next satellite office.

The history of the development of satellite offices illustrates a continuing lack of critical analysis by the Board, even when presented with updated cost figures and warnings by

staff.  Granted, the Board may have been lulled into a *laissez faire* attitude by the support for the concept of satellite offices by the Chair and by, at least initial, faulty budgeting by management. Board members, however, owe a duty to the organization to exercise a questioning mind regardless of the proponent of a project. It is noteworthy that even during interviews by the governance reviewer Board members were not critically questioning the concept, costs, speed and non-evaluation of the satellite office concept.

The lack of critical appraisal by the Board is also evident in the OCCAC project of acquiring new ICMS technology. While staff presented the Board with several options at its meeting in December 2002, it does not appear that any option other than the one selected was seriously considered. The option selected by the Board was the purchase off the shelf of existing software with a requirement that it be fully operating by March 31, 2004.  Once this decision was made, and despite regular reports received by the Board from the ICMS consultant, there was no further questioning by the Board as to why the software delivery, testing and implementation was late. At its May 28, 2003 meeting the Board was advised the ICMS system design would be completed by July of that year. At its August 27, 2003 meeting, the Board was advised the software delivery was late but the system would go live in January 2004. At its meeting on October 29, 2003 the Board was advised that the ICMS system would be delayed two weeks to go live but that there would be attempt to bring it back to the original contract date of operating by January 14, 2004.

At its meeting of January 28, 2004 the Board was advised the ICMS system would go live now on March 23, 2004. At its meeting on March 31, 2004 the Board was told there would be a phased-in go live with April 20, 2004 the new date to be live everywhere. At this meeting the Board was also advised. Phase 2 will address the wait list, connectivity, service order, providers and software. A complete system will be in place one year from now.  Today, the ICMS project is still not functional across the OCCAC operation and the software development is not complete. The project has been put on hold for the summer of 2004 with it being scheduled to become active again in September.

One would have thought that a Board which authorized the purchase of an off the shelf ICMS system and expected it to be fully functional by March 31, 2004 would be questioning long before now why such an off the shelf system is taking so long to implement. Had the Board drilled down through the reports being presented to it there would have been a realization that the system contracted for was not an off the shelf system at all, did not include a financial module which is basic to the OCCAC operation and required significant software development. The delay in achieving such software development, which could have been predicted, should have caused a re-evaluation by the Board as to the direction being taken, a harder look at the other options that were not originally seriously reviewed and perhaps a consideration of seeking assistance from the Ministry which was itself developing a technology system for use by CCACs in Ontario.

The governance reviewer found no such hard questioning relating to the ICMS project during interviews with Board members even at this stage.

There was no evidence that the Board received a presentation on, discussed or analysed the move utilizing a "basket of services" approach for client services. This is a significant methodology change for the delivery of client services, the whole *raison d'être* of the OCCAC. The Board should have insisted that it be presented with this as a proposal, including impact on service delivery, community impact and a risk management strategy. One is left with the impression that the Board's engagement in the way the OCCAC delivered client services has been very minimal.

It also is unclear whether the Board understands the costs incurred with regard to the branding exercise and the development of a new "label" – Home Care Plus - for the name of the OCCAC. There is no evidence, again, of critical analysis by the Board of this project, its cost implications, its community impact, whether it is wise unless adopted throughout the province and no evaluation.

There still remains the issue of the MOU. The *CCAC Act* which governs CCACs was in force at the time of the appointment of the present Chair and Board members and it provides in section 10 (1) that the Lieutenant Governor in Council shall, by order, appoint the Executive Director of all CCACs. Section 8 (1) of the CCAC Act provides that a CCAC is "…under the management and control of its board of directors."
These statutory provisions necessarily lead to the conclusion that the Executive Director has accountability to both the authority that appointed him or her (that is, the Lieutenant Governor in Council as represented by the Minister of Health and Long-Term Care) and to the Board of the CCAC.

While one can argue about whether or not such dual accountability, and therefore reporting, by the Executive Director is a wise way to structure the position, it is clearly the method set out in the CCAC Act.

Apparently the Chair and the Board are not happy with the dual accountability system for the Executive Director. Although not revealed by Board meeting minutes, the interviews with the Chair and selected Board members made it clear this matter was discussed either formally at a meeting or informally and that the Board members and the Chair agreed they did not approve such a dual accountability system.

As a result, when executing the MOU, the Chair unilaterally changed Section 3, paragraph 3.1.1. sub-paragraph (b) by deleting the part of the provision that states: "the Executive Director is accountable to the Minister". The Minister of Health and Long-Term Care has not, and will not, accept this unilateral change and, accordingly, there has not been a meeting of the minds and the MOU is not yet in effect. It is not clear whether the Board knows that this transpired although it is clear the Board is unhappy about the dual accountability system.

As well, the Chair added the words "definition reqd" [sic] and circled the words "Ministry directives" in Section 1, paragraph 1.4.10 of the MOU. It is unclear if this alteration amounts to a change in the MOU. It is, however, a further indication that the MOU is not yet in effect.

One would have thought that if the Chair and any Board member were not happy with the dual accountability system established by the CCAC Act, they would not have accepted appointment to the OCCAC or having accepted such appointment, if they are unwilling to enter into the MOU which, in this respect, follows the scheme of the CCAC Act, they would resign their appointment.  Resignation is still the proper avenue if a Board member can not accept the dual accountability system for the Executive Director.

The series of observations below (3 to 11 inclusive) all deal with good governance practices where deficiencies were observed. While this report separates these items out for ease of reference they are all matters that fall within the purview of the Board. Had the Board paid attention to its responsibility to utilize best practices of good governance the deficiencies observed would have been minimized or eliminated. Without such deficiencies the Board may well have moved into a proper critical analysis and monitoring of issues placed before it. Governance deficiencies can be cumulative and the lack of Board engagement may not have been as pervasive had the Board focussed on developing and utilizing good governance practices.

## Recommendation 3:

a)  A modest turnover in Board membership would assist the Board to move towards improved good governance practices and, hopefully, to approach issues with a more critical eye.
b)  Reinvigorating the Board in this way seems a practical solution as the terms of appointments of several Board members have now or are about to expire. It also is a normal process of cycling volunteers through Board membership. There should not be an automatic assumption, however, that those Board members whose terms have ended or are close to ending should be the members replaced. The Board should be encouraged to embark upon a proper self-evaluation to provide guidance as to the skills needed on the Board and, if possible, suggest persons for consideration for appointment to the Board.  The wholesale replacement of the Board is not recommended.

## Recommendation 4:

The Board requires the presentation to it by management of a proper business case for any project requiring Board approval.   Such a business case could follow the Ministry template for a business case and must thoroughly deal with each option.  It must assess the finances, benefits, community impact and risk for each option.  The Board must not allow a business case to be prepared to support a decision already made or assumed. There should be no project approved by the Board without an evaluation process and without a risk management and mitigation strategy.

**C. Corporate Records**

**(a)       Minutes**

The minutes of meetings of a governing authority are critical in fulfilling the responsibility of all corporations to maintain proper, full and accurate corporate records. They should consist of a record of the reports, materials and presentations received by the governing authority; the discussions, debate, options considered; the results of evaluations; and the decisions made and the assignment of responsibility for implementing the decisions. They are the means whereby the notable events of a meeting of a governing authority are recorded to allow members of the governing authority who were not present at the meeting to understand what was done in their absence. They are a method of communication to stakeholders as to the views and decisions of the governing authority.

The Board minutes of the OCCAC are woefully inadequate and come nowhere near the proper standard of minutes for a governing authority.

The OCCAC Board minutes do not properly record the deliberations of the Board, in fact they hardly record discussion, debate, questions, etc., at all.

While to do so does make minutes somewhat long and does require a skill on the part of the minute-taker to capture only the essentials of the deliberations, it is an crucial part of minutes of a governing authority to ensure anyone reviewing the minutes that a full engagement by the Board took place on dealing with an issue. For example, a minute that states: "After a lengthy review and discussion, it was moved..." gives the reader no sense at all of what was involved in the review, what questions were asked, and what the content of the discussion was.

Similarly, a minute stating: "After discussion and clearly understanding that Minister approval and support need be obtained for this one time expenditure, it was moved..." gives no hint of the content of the discussion. (See items 14 and 15 in the Board minutes of January 29, 2003).

There are a series of examples of Board minutes, both for public meetings and for in camera meetings, which refer to documents, reports or presentations being attached which are, in fact, not attached (see, for example, the Board minutes of January 29, 2003 and February 26, 2003). The attachment of material to minutes, however, has not been handled consistently as some reports are sometimes attached to Board minutes (see, for example, the Board minutes of August 27, 2003). When the review team requested a copy of the minutes for the purpose of the operational review they were provided and, in many cases, did not include the attachments referred to in the minutes. That inhibited the ability of the review team (as it would anyone reviewing the minutes) to fully understand what was under consideration by the Board.

In addition to the formal minutes produced for circulation and for consideration of the Board for approval, the actual notes of the minute-taker from which the minutes are prepared should be retained as back-up material in support of the formal minutes. There is no indication the OCCAC Board has retained any such back-up notes. Such supporting material can be extremely valuable in the event there is a dispute about the contents of the formal minutes or in the event the Board requires more detail about an item in the formal minutes.

There is also a concern that the Board minutes are incomplete and have omitted items dealt with by the Board.  For example, there is apparently "Monthly Operating Statements" that are, at least occasionally, presented to the Board (see Board minutes of April 29, 2003  [where there was no action relating to the statements minuted]; September 24, 2003 [where there was no action relating to the statements minuted]; and December 17, 2003 [where there was a motion passed to accept the statements]).  In no other Board meeting in 2003 was there a minute of the presentation or dealing with a regular "monthly" operating statement.

## Recommendation 5:

The Board adopt guidelines for how its minutes should be taken and maintained, including content and attachments, that will result in comprehensive and complete minutes that will clearly communicate the essence of Board meetings to a reader who was not present, including deliberations and questions. The guidelines should also deal with retention of minute-taker notes used to prepare the formal minutes. The Board shall require management to adhere to the guidelines and shall, in approving minutes, ensure that the minutes, as approved, adhere to the guidelines.


## D. By-Law

By-laws should be living documents that govern the mode of doing business of an organization. To ensure they are up-to-date and reflect the best method of operating, they need to be reviewed on a regular basis by the governing authority of an organization.

Despite the fact the OCCAC by-law was originally mandated by the Ministry and that changes "... shall not be enforced or acted upon without the prior written approval of the Minister" (see Section 2, paragraph 2.11 of by-law) the Board should, at least annually, review the OCCAC by-law and determine whether it wishes to recommend any change to the Minister. There is no indication the Board has looked at the OCCAC by-law since it was first enacted.

For example, after the Board decided to revise its committee structure (Board Retreat, March 29-30, 2004; Board minutes of March 31, 2003; Board minutes of April 14, 2003 [which recorded approval in principle for terms of reference of new Board committees]; Board minutes of April 28, 2003) one would have thought it an appropriate time to review the OCCAC by-law to determine if amendments were warranted in view of the

new committee structure.  The Board, however, appeared not to even consider this as a possibility.

**Recommendation 6:**

The Board should establish a process for annually reviewing the by-law and determining if any amendment is warranted. Any such amendment can be enacted by the Board, subject to obtaining the approval of the Minister of Health and Long Term Care.

**E. Board Policies**

Most governing authorities have a set of policies, which guide them and management. These 'guidelines' are established as policies to allow the governing authority to amend them more easily than if they were encompassed in a by-law.  Often, such governing authority policy deals with the subject matter in more detail than is normally found in by-laws.

Until very recently it would appear that the OCCAC did not have any established Board policies.  For example, although there was both an Executive Committee and a Finance Committee there was no Board policy on the establishment and operation of committees and no terms of reference of those two committees.

The OCCAC Board has, however, moved in the right direction in this regard following its revisal of its committee structure in March of 2004.  There now exist draft Board policies for the establishment and operation of committees ("Committee Principles, March 30, 2004) and for three newly established committees ("Board Effectiveness Committee Terms of Reference"; "Service Effectiveness Committee Terms of Reference"; and "Audit Committee Terms of Reference", all dated March 30, 2004).   Several months after these draft Board policies were prepared, however, they have not been finalized.  It is also arguable whether committee terms of reference are properly categorized as a Board policy.  Perhaps committee terms of reference should simply be established and recorded as that rather than a Board policy.  There are, however, a series of subjects that could be covered by Board policy, such as how Board minutes are to be maintained, how single suppliers are to be dealt with, etc.

**Recommendation 7:**

The Board develop an on-going record of Board policies covering appropriate subjects and ensure the dissemination of such policies throughout the OCCAC.

### F. *In-Camera* Board Meetings

The MOU states: "The CCAC shall conduct itself according to the management principles of the Government of Ontario. These principles include… openness and transparency."

Section 5, paragraph 5.09 of the OCCAC By-law states:

"All meetings of the board of the Corporation shall be open to the public except where the Ministry's policy on board meetings allows the board to meet in private."

Generally, governing authorities who meet in public only move in camera to deal with personnel matters, actual or threatened litigation, acquisition or disposal of real estate or specific contracts. Otherwise governing authorities who meet in public carry on their business in public, even if that business may leave them open for criticism or is of a delicate or embarrassing nature. Ministry policy (see Community Care Access Centre Board Meetings published by the Ministry in October, 2002 [which is in draft and not generally circulated but if there is doubt as to proper use of in-camera meetings is of assistance]), while in more detail, provides examples of proper use of in-camera board meetings for CCACs similar to these concepts. In fact, the Ministry policy states "In Camera deliberations should be infrequent, as open board meetings are central to transparency and public accountability."

The OCCAC Board has not followed this general policy governing *in-camera* meetings for governing authorities that meet in public. The OCCAC also has not adhered to Ministry policy (even though the policy only has draft status) for when Board meetings may be held in private and, therefore has compromised its responsibility under the MOU to conduct itself with "openness and transparency" and has infringed its own by-law. The OCCAC Board has held *in-camera* meetings frequently, at least as often as it has held public meetings.

As a general rule, the OCCAC has dealt with a series of items *in-camera* which should have been dealt with in public. For example:

- The decision to acquire a new ICMS (January 29, 2003);
- The receipt and review of monthly operating statements (January 29, 2003; April 29, 2003; December 17, 2003);
- The decision to proceed with satellite offices based on a business case and updates on the project (February 26, 2003; August 27, 2003; part of October 29, 2003);
- The receipt of staff and client survey information (March 26, 2003);
- The approval of strategic and business plans and annual budget (April 29, 2003);
- The approval of the Carlingwood Shopping Centre site for a satellite office (April 29, 2003);

- Priority setting for resource allocation decision and allocation of additional funds (June 25, 2003; August 27, 2003);
- Receipt of the report of the auditors and appointment of auditors (June 25, 2003); and
- Financial and service volume projection report (December 17, 2003).

In fact, there were no minutes at all of the Board's in-camera meeting of May 28, 2003 and, accordingly, it is not possible to determine if what the meeting discussed or dealt with was appropriate for an in-camera meeting.

This extensive and regular dealing with its business in-camera has, of course, inhibited open and transparent communication to the community and the OCCAC stakeholders. It has engendered deep suspicion among many in the community, which was made very obvious during the interviews held by the review team.

## Recommendation 8:

The Board should be very careful to adhere to the MOU requirement to conduct itself with "openness and transparency" and restrict *in-camera* meetings to the normal limited subjects for *in-camera* meetings, using the draft Ministry policy as a guideline. This should result in fewer and shorter *in-camera* Board meetings.


## G. Board Self-Evaluation

Proper evaluation is an essential tool for measuring performance and achieving continual improvement, whether for individuals or organizations. Best governance practices clearly require evaluation of boards of directors, both on the basis of the individual directors and the board of directors as a whole.

Unfortunately, the OCCAC has not seen fit to develop or implement a process of Board evaluation. It started to edge into this area when at its Retreat of March 29-30, 2004, it acknowledged that one of the responsibilities of one of the new committees it decided to establish (the Board Effectiveness Committee) would be Board evaluation. This is long overdue and it appears nothing further has in fact transpired in this regard since the Retreat.

It is essential, to monitor the performance of the OCCAC Board and to lead it to continually improve that performance, to put in place a Board self-evaluation process. Such a process would be most productive if it included individual interviews with each Board member by one or more non-Board members who have experience and expertise in evaluation techniques and systems for governing authorities. Such experience and expertise does exist in Ottawa and, in many cases, public sector agencies, such as the OCCAC, are able to tap into it at no, or very minimal, cost. It would also be important to have the Board select one of its members other than the Chair (perhaps the Vice Chair) to lead this process. While having a Board committee responsible for Board evaluation is

responsibility for such a project without the necessary dilution in a committee charged with several responsibilities.

A Board self-evaluation system, if conducted properly, will lead into the identification of persons who should be considered for appointment to the Board. (See Recommendation 11, Board Recruitment).

**Recommendation 9:**

The Board should immediately move forward to develop and implement a proper self-evaluation system and should task one Board member, perhaps the Board Vice Chair, as well as its new Board Effectiveness Committee, to get this done. The Board should consider involving non-Board members in the process. The Board must insist upon continual reports to it on the status of this matter to assure itself this is moving forward as quickly as is reasonable under the circumstances.

**H. Board Evaluation of Senior Management**

The governing authority of any organization must involve itself directly in the evaluation of its chief executive officer. While in some circumstances, and depending upon the size of the governing authority, this responsibility can be delegated to a committee of the governing authority, it should never be left to only one member of the governing authority (usually the Chair, although as the person who most directly relates to the chief executive officer the Chair must be a part of the process). Even if the governing authority delegates this responsibility, it must be in a position to confirm that the evaluation has been done properly with the establishment of individual and management team measurable objectives, perhaps with milestones, and a determination of whether the objective and milestones have been met which determination must involve those being evaluated. The governing authority must also ensure the process and the result of the process is properly documented.

While some governing authorities also evaluate members of the senior management group, it is more common to only have the governing authority evaluate the chief executive officer. As part of the chief executive officer evaluation, the responsibility of the chief executive officer to operate an evaluation system for members of the senior management group, and indeed all employees, is measured.

Unfortunately, the OCCAC Board has allowed itself to largely be excluded from the evaluation of the Executive Director and has not required a proper evaluation system be put in place. By default the Chair has been allowed by the OCCAC Board to become the sole evaluator of the Executive Director and to conduct such evaluation in an informal, non-documented way. While such an evaluation may have an impact of a 'pay for performance' system or bonus system for the Executive Director, the evaluation serves a much wider purpose than simply assisting to establish the compensation for the position.

Its more important purpose is as an indicator of management and staff performance for the entire OCCAC.

**Recommendation 10:**

The OCCAC Board should establish a formal evaluation system to evaluate the OCCAC Executive Director. Such a system could be delegated to a Board committee provided the Board monitors the committee's work. As soon as such a system can be put into operation the Board should have an evaluation of the Executive Director conducted.

## I. Board Development

### Recruitment

The key to good governance is good quality people on the governing authority. The key to having good quality people on a governing authority is to have the governing authority work very hard and pay a lot of attention to recruiting such good people.

The OCCAC Board took no steps towards its responsibility for the recruitment process. It is no excuse for the Board to take the position that because its members are appointed by the Lieutenant Governor in Council the Board has no part to play. Informal recommendations by individuals to the political level of names of people to be considered for appointment to the OCCAC Board and nothing else is totally insufficient. The Ministry has clearly indicated to CCACs that they have a role to play in the Board appointment system (see *Nomination of a Community Care Access Centre Board Member* published by the Ministry in March of 2003).

There are, of course, recruitment techniques that, if employed, will maximize the possibility of getting the skill sets required and the type of people that will be a credit to the Board. The process should probably start with the OCCAC Board publicly advertising for applicants for Board positions but should also involve active recruiting for specific individuals who will fulfill a required skill set. A proper Board self-evaluation system will feed into this process by identifying whether existing Board members should be re-appointed and identifying required skill sets.

Better recruitment systems employ knowledgeable non-Board members, sometimes representatives of community organizations, to assist and, sometimes, even professional recruiters. While there may be some costs involved (although it is amazing what can be obtained on a volunteer basis) the recruitment of good Board members is so crucial that some level of cost is justified. The careful review of applications, the interviewing of a short list, the reference checking and the resulting production of individuals for consideration for appointment to the OCCAC Board can do nothing but ensure the quality of Board members. The process should generate a selection of at least two individuals for each Board vacancy in order to provide the Lieutenant Governor in Council with some alternatives for each appointment to be made.

**Recommendation 11:**

The Board establish a recruitment program which would involve public advertising for applicants for Board appointment, a review system of applications that involves non-Board members, possibly community organizations, consideration of the Board self evaluation process results, interviews of selected applicants and results in a Board decision to recommend the consideration for appointment to the OCCAC Board of at least two persons for every vacancy.

## J. Orientation

There is a steep learning curve for anyone joining the governing authority of an organization for the first time, particularly if there has been no previous experience with the organization. It is, therefore, essential that new additions to a governing authority be immersed in an orientation program as a kick-off to their learning experience and to enable them to contribute significantly to the organization as soon as possible. Such an orientation program often includes, at least for part of the program, the existing members of the governing authority both as a refresher course and as a bonding exercise with their new colleagues.

It is surprising that the OCCAC Board, all of the members of which came into the organization as 'rookies', has not recognized the value of such an organized orientation program.

In light of the attitude towards on-going education (see sub-paragraph (c) below), this may be a reflection of the Board's unwillingness to spend time on training.

Orientation is a responsibility of the Executive Director (see Section 4, paragraph 4.5.1 subparagraph (t) of the MOU) but the Board should have insisted on the fulfillment of that responsibility and provided input to the Executive Director as to what system of orientation it expects to be implemented.

**Recommendation 12:**

The Board immediately develop a structured orientation program for new Board members, at least part of which program should include a refresher for existing Board members, and implement it as a requirement at the commencement of the term on the Board of all new members of the Board.

## K. On-Going Education

Members of governing authorities would be wise to place a high value on programs of on-going education. The milieu of constant and rapid change, the ever increasing demands of stakeholders for accountability, the continual requirement of both

stakeholders and funders to have transparency in order that there can be accountability, the escalating standards of governance growing out of the horror stories of failed governance that have publicly emerged in the last few years, all require a devotion to continual learning both with regard to the substance of the product being delivered by an organization and with regard to best governance practices.

The members of the OCCAC Board have generally not recognized this as being sufficiently worthwhile to treat as a priority. In interviews, there were comments made that to spend one or two full days out of town for an education program was just "too much to expect". The result was that on-going education programs, either hosted by the Ontario Association of Community Care Access Centres or held in Ottawa were very poorly attended by members of the OCCAC Board. This attitude, together with the absence of a structured orientation program, has certainly contributed to the OCCAC Board not adopting all possible best practices of governance.

**Recommendation 13:**

The Board attempt to foster an attitudinal change among its members to impress upon them the importance of orientation and on-going education for Board members and make clear that attendance at such programs will be a criteria to be reviewed in the Board self-evaluation program. The Board could establish its own local or, in co-operation with other CCACs in Eastern Ontario, a regional program if it felt that would assist in achieving the change in attitude. Such a local or regional program should not ignore provincial programs as there is a lot to be gained from the experience of others throughout the province.


**L. Retreats**

It is very useful for a governing authority to set aside time, at least annually if not twice a year, to devote a significant amount of time to discuss, in a focussed way, issues of its operation. A retreat, often outside of the premises of the organization, is a common means of achieving this time to take a step back and think about how the organization and the governing authority are operating.

The OCCAC Board has held two retreats, one on March 31 and April 1, 2003 and one on March 29 and 30, 2004 and is to be commended for these initiatives. Board members generally felt the first retreat was not as successful as the second, although there was no specific evaluation one could look at to indicate the basis for this assessment.

The 2003 retreat dealt with strategic planning matters. A couple of issues dealt with at this retreat are important to note. The retreat treated the enhancement of the information technology system (ICMS) and the development of satellite offices as two "key initiatives [that] have been successfully addressed by the OCCAC" (see *Ottawa Community Care Access Centre 5 Year Strategic Plan April 2003* under the heading "OCCAC

Achievements"). This was not accurate then or now. In dealing with prioritizing issues the material from the retreat states:

"This rapid change, although intended to correct many persistent problems and position the OCCAC for future growth, has also produced a negative effect on the external stakeholders, staff and Clients. Although slowing the pace of change is not an agreed upon option, the board recognized that the senior management require clear direction and focus on priority areas if they are to be successful."

The decision not to slow the pace of change was obviously made by the Board at this retreat with knowledge of the negative impacts it was causing. Whether or not this was a good decision, it was coupled with an understanding that maintaining the change pace would require the Board to provide direction on priority areas to management and there does not appear to be any direct follow-up from this retreat that addressed this requirement for direction to management.

The 2004 retreat concentrated on governance and Board effectiveness, which, under the circumstances, was an excellent theme for the retreat. It is somewhat unfortunate that such a retreat could not use the results of a Board self-evaluation process to strengthen its resolve to improve governance practices, but it was a very good and needed subject for Board discussion. The decisions emanating from the 2004 retreat have a lot to do with a re-structuring of the Board's committee structure and the Board should now have a concern, over three months after the retreat, that the revised committee structure is not yet fully in place.

**Recommendation 14:**

The Board should continue its practice of annual retreats and could even consider whether it would be feasible to have such a retreat every six months.
The Board should be careful to promptly follow-up on decisions made at retreats. An evaluation system for retreats might assist in both improving quality and suggesting future topics to be dealt with.


**M**. **Board Structure**

**i) Board Committees**

During the period covered by the operational review, 2002 to present, the OCCAC Board has apparently functioned with three committees - the Executive Committee, the Finance Committee and the statutorily mandated Community Advisory Council (see *CCAC Act,* section 9). Recently, the OCCAC Board has decided to disband the Executive Committee and the Finance Committee and to establish a Board Effectiveness, a Service Effectiveness and an Audit Committee and to have its officers (that is, the Chair, Vice-Chair and Secretary-Treasurer) able to "make decisions in true emergencies"(OCCAC Board retreat, March 29-30, 2004), but this decision has not yet been implemented.

There is no provision in the OCCAC by-law with regard to specific committees (other than the Community Advisory Council - see Section 6, paragraph 6.01 of by-law). It appears there was no set terms of reference or clear delegation of duties from the Board for either the Executive Committee or the Finance Committee. It is essential that Board Committees know the limits of their authority and the terms under which they are to operate. This is a major deficiency in the OCCAC Board's committee structure which, hopefully, will be cured when the new committee structure is implemented.

Any review of the OCCAC Board's committee structure would have resulted in changes as in fact occurred once the Board got around to reviewing its committee structure at the 2004 retreat. It is a shame the Board did not act more promptly to revise its committee structure (and in fact even the changes decided upon in March of 2004 have not yet been implemented). It is difficult to determine the extent to which a changed committee structure would have improved the governance of the OCCAC but it could do nothing other than make a difference for the better.

It is not clear that the revised committee structure proposed in March of 2004 will sufficiently serve the Board in its governance role but it is a step in the right direction. Clearly, an audit committee is essential for the proper discharge of governance duties. Whether two committees can cover all other governance areas is questionable. Subjects such as communication and perhaps even Board self-evaluation are so crucial they may deserve committees of their own. An obvious deficiency is the lack of an assignment to a committee of matters related to client service delivery and quality assurance.

There also remains a concern that the OCCAC Board clearly define the extent of authority delegated to the officers to "make decisions in true emergencies" Do the officers have the authority to make any decision the Board itself could make? What is the definition of a "true emergency"? Do their decisions have to be reported to the Board? Do their decisions have to be confirmed by the Board? Although it is obviously not contemplated the officers would exercise this authority very often, the details of their authority should be clearly established. It may even be better to establish the officers as an Executive Committee for the purpose of making "emergency" decisions (or decisions, if required, between regular Board meetings) so as to make it clear how the officers as a decision-making group should operate (that is, within parameters established for all committees such as giving notice of meetings, having a quorum, etc.).

One wonders if the complete omission of the Community Advisory Council from the discussion of committee structure at the March 2004 retreat is an indication the OCCAC Board does not place sufficient emphasis on or treat seriously this mandated structure. It should, of course, be considered as an essential part of the governance structure of the OCCAC.

**Recommendation 15:**

The Board should immediately implement its decision of March 2004 to revise its committee structure and establish formal Board-approved terms of reference for all Board

committees and for the delegation of authority to its officers to act in emergencies. The Board should further review its committee structure to determine if it requires any further modification, including the possibility of creating an Executive Committee of the Board's officers for "emergency", or between Board meetings, decision-making. The Board should determine what committee is to have responsibility for dealing with service to clients and quality assurance.

## ii) Committee Reporting

Committees serve the function of having some members of the governing authority deal with matters assigned to the committees in depth leading to a committee recommendation to the governing authority.

It is then the governing authority that, in dealing with committee recommendations, makes any decision for the organization. Thus, committees, usually through the chair of the committee, report regularly to the governing authority and present their recommendations.

As far as it could be determined this did not appear to be the way the OCCAC Board operated with regard to its Executive Committee and Finance Committee. A review of the OCCAC Board minutes indicates no reports whatsoever from either of its committees.

While there was presentation at some Board meetings of monthly financial statements, they appear to have been presented by staff and there was no indication they were reviewed in detail by the Finance Committee and that the Board received any recommendation relating to finance from the Finance Committee. There was no indication of what subjects the Executive Committee dealt with and no report or recommendations to the Board from that committee.

In addition, reports to the OCCAC Board from the statute mandated Community Advisory Council have been largely missing. Other than a report to the Board under "Other Business" of the first meeting of the Community Advisory Council on March 26, 2003, which took place several months after the current OCCAC Board was put in place (see Board minutes of March 26, 2003, item 9a) and a report to the Board covering four meetings of the Community Advisory Council with very little detail from those four meetings (see Board minutes of October 29, 2003 item 7), there was nothing to indicate the Board considered the activities or views of the Community Advisory Council.

## Recommendation 16:

The Board structures the agenda of each of its regular meetings to include reports from each Board committee, including any recommendations to the Board from the committees, and a report from the Community Advisory Council. Minutes of committee meetings be circulated to the Board as attachments to the agenda of the Board's regular meetings. The Board requires all decisions of its officers made with regard to

"emergencies" be reported to it and be subject to confirmation or amendment by the Board.


## N. Community Relations and Communications

Community relations and communications are important for every governing authority. It is mission critical for a agency that is publicly funded, provides crucial health services to members of the community, has relationships with other public institutions, such as hospitals and the health department of a municipality, and extensive economic relations with contracted health care service providers.

The OCCAC Board has not paid enough attention to community relations and communications. As a result, its mission has suffered.

A wide variety of organizations and individuals have told the operational review team that OCCAC Board meetings are not welcoming and that attendees from the community are treated as being "a bother".

One interviewee related that the public were supposed to call in advance to register their intended attendance at an OCCAC Board meeting which was seen as "getting permission" to attend and that if one attended without the prior telephone call and was not on a list of registered attendees admission to the meeting was only reluctantly allowed. There were recent complaints about the public having to wait a considerable time to be admitted to meetings (which were presumably proceeding *in-camera*) and then being escorted into the meeting by a security guard. This order of having an in-camera meeting first was designed by the OCCAC Board to allow items to be dealt with at the beginning of the evening rather than in a rush at the end.  Nevertheless, it is a great inconvenience to those wishing to attend the OCCAC Board meeting and could be avoided by scheduling the start time of the Public OCCAC Board meeting, advising the public of the start time of the Public OCCAC Board meeting and adhering to that start time. Of course, if fewer matters were dealt with at in-camera meetings (see Recommendation 8) the problem would be somewhat alleviated. The extensive number of items dealt with *in-camera* raised a lot of suspicion on those interested in attending OCCAC Board meetings.

Whether all these complaints are justified or not, it is clear the OCCAC Board has not been using its meetings as an opportunity to gain support from the community members interested enough to attend. Those community members, of course, also influence their personal networks.

It also is unclear as to how effective the Community Advisory Council has been for the Board in attracting community support for the OCCAC. The broadest possible use of such a committee, including membership from community organizations and individuals who will then be in a better position of understanding decisions taken by and, possibly

supporting in the wider community, the OCCAC Board would be a wise communications tool for the OCCAC Board.

The involvement of community members in the operations of the Board, for example as participants in a recruiting system or as non-Board members of Board committees, would go a long way to foster understanding and communications between the OCCAC and the community.

Many community members complained about the difficulty of obtaining information from the OCCAC, including copies of the budget when it was being dealt with by the OCCAC Board**.** Some expressed frustration in attempting to determine whether the investment in ICMS has been worthwhile and the cost implications of the satellite office program. One organization complained it had no access to how decisions are made by the OCCAC Board or the data supporting those decisions.  Again, whether these complaints are completely justified or not, the OCCAC Board would be better advised to work at being more open, including limiting the subject matter of *in-camera* meetings, providing copies of materials distributed to the Board to those attending Board meetings or requesting the same and, generally, engaging the community in the difficult decisions faced by the Board.

One aspect of community relations that appears to have been ignored by the Board is the response to complaints. Pursuant to the "Complaints and Compliments Policy" of the OCCAC the Board is supposed to receive quarterly reports on the nature and outcome of client complaints, compliments and occurrences. The minutes of Board meetings do not indicate any such reporting. The Board has intentionally completely removed itself from involvement in appeals by clients from service provision decisions. It would be a demonstration of the interest of the Board in service delivery issues if, in some manner, the Board was involved at an early stage in such appeals. The involvement could consist of designating a Board member to be involved when an appeal is dealt with at the OCCAC level.

OCCAC Board members complain about media coverage slanted and highlighting 'bad news' aspects and the media ignoring 'good news' stories. Relations with the media may, as with many organizations, be frustrating but a proper communications operation based on openness and transparency and communicating the difficult decisions faced by CCACs could result in more complete, balanced media for the OCCAC. Attempting to position the OCCAC as only having success, when that is not factual, is bound to backfire.

Communications is not simply responding to media through staff or a consultant. While there is, obviously, a place for communications staff and, perhaps even a consultant, the small welcoming steps that the Board could easily take in relation to Board meetings and the distribution of materials would mean a great deal to an amelioration of the hostility the OCCAC Board is presently encountering from several directions. A commitment by the OCCAC Board to deliver full information in an understandable format to allow stakeholders and media to understand the requirements behind the difficult client service

delivery decisions and to analyze for themselves significant projects undertaken by the OCCAC, such as the ICMS and the satellite office development, is a major part of a good communications system.

The Board must also be wise in how it distributes material. The wide distribution of costly, glossy material at the time health service to clients is being reduced is not acceptable. Material that focuses only on achievement and does not sufficiently deal with the difficulties facing the OCCAC is not credible.

**Recommendation 17:**

The Board should conduct a comprehensive review of its community relations and communications strategy. It should seek input from those who attend Board meetings, community partner agencies, service providers and, perhaps, even the media itself. It must adopt a policy of providing full and transparent information, access to the decision-making process and a policy of being pro active in this area. It should consider whether this subject matter is so important that it warrants a Board committee to deal with it.

**Recommendation 18:**

The Board should immediately take all steps possible to make its meetings welcoming, open and transparent. Simple steps such as room configuration, distribution of material, holding *in camera* meetings less frequently and at the end of the public meeting so the public attendance takes place at the time the meeting is scheduled to commence, verbally welcoming those in attendance and personally showing they are welcome, being less obvious about security measures such as the presence of security officers and the requirement that those intending to attend a meeting pre-register by telephone, perhaps even a coffee break during which members of the Board and the public can co-mingle should be considered.

**Recommendation 19:**

The Board considers becoming involved directly in appeals by clients against service delivery decisions at the level when the appeal is being dealt with by the OCCAC. The Board requires regular reports from management on the nature and outcome of client complaints and occurrences.

**O. OCCAC - Ministry Relations**

The people of Ottawa, and indeed Ontario, expect that the services being delivered by CCACs are being delivered through a co-operative, collaborative joint approach by the Ministry and the CCACs acting as partners.

Unfortunately, the relationship between the OCCAC and the Ministry is more adversarial than partnership-like. An inclination to go around the Regional Office of the Ministry and, sometimes, to jump over the public service level of the Ministry to the political level has certainly strained the relationship. The relationship has deteriorated so much that the Chair at one point instructed the Executive Director to limit discussions with the Ministry Regional Office.

The OCCAC Board should recognize the expertise of the Ministry and should attempt to devise strategies to tap into that expertise to assist the OCCAC to fulfill its mandate.

## Recommendation 20:

The Board should develop a strategy to improve the OCCAC's relations with the Ministry, including increased communications and working co-operatively on projects. It might be wise to encourage more interplay between officials in the Regional Office of the Ministry, the Board and senior management of the OCCAC, for example, by holding joint meetings to discuss mutual problems, by inviting Regional Office staff to attend OCCAC Board retreats, etc.  Perhaps the biggest change would be in mind-set for the Board in adopting a co-operative approach.


## P. Use of Consultants

Any organization should be very careful about the retaining of consultants, not only because of cost implications. Ignoring existing 'in-house' expertise can be very demoralizing to staff who feel they know as much or more about a matter than an outsider consultant. The use of consultants does not necessarily relieve the work burden on staff - often it increases the burden - as usually it falls to staff to educate the consultants in the operation of the organization, brief the consultants about the matter for which they have been retained, work with them, supervise them, understand their recommendations and then implement the recommendations. Of course, there is a proper place for the use of consultants and, if used judiciously, they can be of great assistance to an organization dealing with technical matters beyond its own expertise or requiring an independent review of matters.

During the review it became quickly apparent that the OCCAC was in the habit of utilizing consultants for a variety of matters and did so without much forethought. The OCCAC seemed to quickly move to retaining consultants without first analyzing whether its staff had expertise in the area concerned, whether the matter really required an outside consulting firm and without even considering the possibility of whether it could obtain outside assistance on a voluntary or discounted fee basis.
The result was, on certain matters, resentment by staff who felt they could have dealt with the matter internally and, certainly, expenditure of funds that might be better utilized elsewhere.

While sometimes surprising, it is a fact that public agencies such as the OCCAC can often obtain expert assistance on a volunteer basis or for a deeply discounted fee and the OCCAC would be well advised to consider this possibility in the future. Of course, it is not always possible to obtain consultants on this basis but it should be considered.

**<u>Recommendation 21:</u>**

The Board should ensure that the OCCAC only retain consultants when they are really meaningful and should monitor the use of consultants carefully to avoid using a multitude of consultants for every little aspect of operations. The Board should require approval of all consulting contracts by the Board and, prior to approving a consulting contract, should inquire whether proper consideration has been given to utilizing OCCAC staff expertise, obtaining outside assistance on a volunteer basis and requesting a discount for consulting fees.

(a bibliography for this section can be found in Appendix H)

# PART IV

# MANAGEMENT REVIEW

**Review Process**

The management review process included interviews with managers, as well as information obtained from front line staff, from community members, and from available records. The Terms of Reference outlined the topics to be addressed in the review, such as decision-making processes, and general financial and resource management.

**Standards Applied**

The primary standard used was the Memorandum of Understanding, which outlines Ministry expectations for CCAC Executive Directors. Generally accepted good practices were also points of reference.

**Preface**

The OCCAC has had a vision to be more visible in the community, to be more innovative and to be client-driven. In trying to achieve this vision the OCCAC has worked hard, while going through a transition. Unfortunately, the perception among many in the community was of an organization with an attitude of superiority, focused on rules and power.

Under the Terms of Reference, this review was of the operations of the OCCAC, not of the performance of the Executive Director (E.D.). It would not have been possible to objectively review the performance since there had been no formal performance plan with targets against which the achievements could have been measured. However, since all the operations of the OCCAC are the responsibility of the E.D., both the successes and shortcomings reflect on the E.D.'s performance and readers will make assumptions about that performance. Therefore, to provide some context, the following comments are made:

**A. Executive Director**

As per the Memorandum of Understanding, the Executive Director (E.D.) of a CCAC is responsible for providing leadership, guidance and management to the CCAC staff, including human and financial resources management in accordance with accepted business and financial practices and standards, and managing the day-to-day functions. In addition, the Executive Director translates the goals, objectives and strategic direction of the Board into operational plans and activities in accordance with the approved Business Plan.

The Executive Director provides the Board and the Chair with advice and assistance in meeting their responsibilities and advises the Chair and the Board on compliance with government and ministry directives, guidelines, policies and procedures.

The Executive Director of the OCCAC has provided leadership to the senior management (which the OCCAC calls "leadership") team, who in turn were responsible for the leadership of their areas.  With respect to the leadership of financial operations, there were indications that some of the direction to finance staff was provided directly by the Board Chair.  This may have been difficult for the E.D. to prevent, but there was no documented indication that the issue was raised by the E.D. with the Chair or other Board members.  In interviews with members of the review team, the E.D. demonstrated a strong feeling of loyalty to, and respect for the authority of, the Board Chair.

There is clear evidence that the E.D. translated the goals, objectives and strategic direction of the Board into operational plans in accordance with the approved Business Plan for the organization.

With respect to providing advice to the Board, ideally the E.D. should have been stronger in presenting to the Board the risks involved in some of the initiatives they were undertaking.  There is indication that some attempts were made to identify and assess options.

The Board Chair, in his informal performance reviews of the E.D., praised the E.D.'s performance.  The whole Board spoke highly of the Executive Director's work.  There was no formal performance plan for the E.D. and no indication of her having received any information about shortcomings in her performance, other than a request that the new projects being undertaken move more quickly.  It appears she was also directed to remove management staff remaining from the previous administration.

(The Ministry has developed an assessment tool for CCACs entitled "CCAC Executive Director Pay for Performance Program Assessment Guide 2003-2004" which was forwarded to the CCACs for completion by May 2004.  This form will assist the Board, as an adjunct to its assessment of the Executive Director, but should not be a substitute for the complete performance plan and contract.)

**Recommendations 22:**

a)  That the Executive Director provide the Board with comprehensive and complete information on options and their costs, benefits and risks, to support Board decision-making.  In presenting the information and options to the Board, the Executive Director must clarify the OCCAC's obligations to adhere to the Community Care Access Corporations Act, the Long-Term Act, 1994, Long-Term Care Facility Legislation, and regulations under all of the Acts.  The E.D. must also clarify the OCCAC's obligations under the Government's and Ministry's directives, polices, guidelines and procedures, as set out in the MOU.

**b)** That the Board and Executive Director periodically review the Memorandum of Understanding (MOU). This could be done at the time the Board and Executive Director's performance is evaluated. The MOU is the formal document between the Ministry and the OCCAC outlining the expectations and accountability relationships for both parties. The MOU is clear with regard to the responsibilities of the Executive Director and the Board Chair. By reviewing the MOU, the Board and the Executive Director will be reminded of their required roles.

**c)** That the Executive Director and the Board jointly develop a performance plan or contract for the E.D. which includes the role and responsibilities, objectives, and expected performance; and that the performance be reviewed and assessed, and the plan revised if necessary, at least annually.

**d)** That the Board's assessment of the Executive Director take into account both past performance and improvements needed for the future. As the business environment and the OCCAC change, so do the demands on the Executive Director. The Board needs to routinely consider the Executive Director's strengths, weaknesses and developmental needs, as well as succession plans.

**e)** That the Executive Director implement a similar performance review process for the Directors that report to her, with expectations that support those in the E.D.'s performance plan, and that include performance reviews for all staff.

### B. Planning

The Memorandum of Understanding between the Ministry and CCACs assigns responsibility to the Executive Director for translating goals, objectives, and the strategic direction of the Board into operational plans.

In April 2003, the Director of Organizational Development and Human Resources made a presentation to the Board on the OCCAC organizational planning process. The strategic plan was developed by the Board and senior management, with the help of an outside facilitator. It included feedback the facilitator obtained from community agencies, as well as feedback from staff obtained by the PriceWaterhouseCoopers (PWC) consultants who did the Baseline Assessment.

The OCCAC has used the Baseline Assessment done by outside consultants as the basis for its strategic and operational plan for the past two years. An action plan flowing from the consultants' recommendations is being implemented over a 30 month time frame, and evaluated every six months.

The organization has also been working on what management saw as a new culture of "client-driven care". This is something the Executive Director had found useful at the London CCAC.

The vision, values and intent are good, but staff at the front-line level indicated feelings that the changes have been imported and applied to them, rather than having been planned and developed with their participation and their local knowledge.

**Recommendation 23:**

That the OCCAC Board and staff jointly undertake an annual organizational planning process, led by OCCAC senior management, that includes the participation and expertise of all staff. As part of the environmental scan, include participation from representatives of the OCCAC's community customers.

## C. Decision-Making

### i) Organizational Priority Setting

The Terms of Reference call for a review of the decision-making processes and the impact on the focus and function of the organization. The review is to include the processes related to priority setting and resource allocation.

The OCCAC's priorities appear to have been driven by the recommendations contained in the PWC consultants' 2002 Baseline Assessment, and by the direction of the Board Chair. The staff role has been primarily implementation. Some initiatives were undertaken that went beyond the recommendations of the Baseline Assessment. The haste to implement these initiatives, and the number of changes implemented at once, contributed to some flawed decision-making.

### ii) Decision to Create Satellite Offices

The consultants Baseline Assessment recommended a matrix structure for organizing case manager assignments, based upon geographical areas, with a network of specialists in pediatrics, palliative care, cognitive impairment and mental health. This seems to have influenced the OCCAC decision to open satellite offices, although the recommendation did not specifically refer to the need for decentralized accommodation. This decision-making process led to implementation before alternative options and their implications were fully explored. The impact included a reduction of current funds available for client services.

It should be noted that OCCAC staff did provide an evaluation of future accommodation options in an update report to the Board following the move to the first satellite office. The decision was nevertheless made to proceed to open two more offices. This subject is addressed in detail in the Financial Review section.

### iii) Decision to Acquire a New Integrated Care Management System (ICMS)

The Baseline Assessment noted that the case management workflow processes were overly paper-based, and that the existing computer system was not used to capacity. The consultants' recommendations called for reducing the duplication of paper and electronic records by entering information directly on the existing information system, and implementing the Ministry's electronic clinical assessment tool, in preparation for

subsequent automation.  This led the OCCAC to a decision to purchase a new case management information system, something not included in the recommendations of the baseline assessment. While the intent was good (to improve efficiency) the impact to date has been significantly increased costs for the OCCAC and increased workload for staff. There was a rush to implement the project before adequate time was taken to assess options and impacts.  The Board operated in a culture where decisions were not to be questioned, and management was not given the option of fully assessing a planned course of action.

There is so far no evidence that the ICMS has provided benefits to efficiencies of the OCCAC's operations.  This issue is discussed in detail later in this report.

### iv) Client Services Priority Setting

In contrast to the numerous instances of flawed decision-making, there is one example of an excellent OCCAC decision-making process in a project currently underway.  In a January 2004 report to the Board, Client Services Directors outlined a process for determining priorities for client service.  The process was developed with the help of an outside ethics consultant.

The described process begins with the statement:  "Transparency and stakeholder involvement are at the core of ethical decision-making."

The process includes the following steps:

- Identification of problem
- Identification of issues
- Identification of stakeholders
- Identification of options
- Evaluation of impact of each option
- Key decisions
- Dissemination of decisions
- Implementation
- Evaluation of decisions.

This is a generally accepted good decision-making and problem-solving process.

This process was underway at the time of this Review and involved focus groups with internal staff and outside service providers.

**Recommendation 24:**

The decision-making model developed by the OCCAC should be used by the OCCAC for any future important decisions.  It is also recommended that all stakeholders be consulted, as is being done in this process.  Stakeholders should include representatives of all groups that will be affected by the decisions, including client groups, referring agencies, contracted service providers as well as other community service agencies familiar with the same client groups.  The likely improvement in the resulting decisions would be well worth the effort.

**v) Decision to no longer do ADP assessments**

A decision was made to no longer do Assistive Devices Program (ADP) assessments unless they are part of a CCAC client's care plan.  Concerns about this policy and implementation have been raised by community members.

The original policy, to only do ADP assessments when they are part of a comprehensive CCAC therapy treatment plan, was created by the previous Board and administration.  It has been a means used by many CCACs to redirect resources to CCAC mandated services, since ADP assessments are not a CCAC responsibility.  However, until recently the OCCAC continued to do many ADP assessments.

In January of 2004, the OCCAC made changes to their practice to reflect the ADP policy established by the previous Board.  The action was apparently taken in consultation with the Ministry's Assistive Devices Program.  The OCCAC notified its service providers, and worked with case managers to guide people to other options.

Although OCCAC documents indicate the OCCAC staff had considered the impact on clients, during external interviews client groups and community agencies indicated they would have liked the opportunity to provide information and to help develop plans to lessen the impact on individuals who would have to pay for the assessments. Representatives of the City of Ottawa also objected to what seemed to them to be a unilateral decision that increased the City's costs, as the City tried to help people who could not pay for their assessments, but needed ADP-funded equipment.

While the CCAC decision is consistent with its mandate, the process of implementing this change would have benefited from community consultation.

**Recommendation 25:**

That the OCCAC carefully consider the full range of people that will be affected by its decisions, and make every effort to include these people in the planning process.  The OCCAC should assess, and take all possible measures to avoid, risks and effects that will be detrimental to clients and the community.  This would also be consistent with the culture the OCCAC wants to exist in its organization.

**vi) Decision to Require "Basket of Services" in Service Contracts**

The OCCAC decided to require service providers bidding on contracts for nursing, personal support, and nutrition services to provide all three services. The intent was to have better team cohesion among the people that visit a client to provide these services. This is something the Executive Director had a positive experience with when working at the London, Ontario CCAC.

There was consultation with service providers before the decision was announced, but many of those who attended the consultation felt that concerns raised by service providers were ignored. The resulting feeling among attendees was that the consultation was not genuine. This is described as contributing to a lack of trust in the OCCAC. As one interested person interviewed said: "People can live with decisions if they have had input and understand the rationale". The contracting process is discussed in more detail in the Client Services section of the report, but there are serious concerns that this decision was made without considering the impact on the community, the clients, and the OCCAC itself.

In addition, the decision about how many service providers would receive contracts has potential for disruption to client services, to service providers, and to the OCCAC operations as well.

**Recommendations 26:**

- That the OCCAC take into consideration the effect of its decisions on clients, community agencies and the OCCAC operations. This process should include effective consultation, problem clarification, the development and evaluation of options, and the assessment of the risks and benefits to those who will be affected. It should also include all possible measures to mitigate any unavoidable risks after the best option is chosen.
- That the OCCAC delay, if possible, the RFP for Nursing, Personal Support and Nutrition, until the risks are fully assessed and dealt with.

**vii) Decision to Use "Home Care Plus" Descriptor**

The OCCAC's decision to use this descriptor has also been controversial. Some people in the community found the change unnecessary and confusing, others were neutral. The intent of the CCAC was to find a name that the public understood better than CCAC. That was a reasonable intent, but once again the process worked against community support. An outside consultant was used, entailing costs and little community consultation. It also conflicted with Ministry policy for consistent identifiers across the province, and required rationalization to find a way to avoid conflict with policy. Again, the result would have been improved by a process in which the Ministry and the community were consulted before the decision was made to incur costs and make changes.

**Recommendation 27:**

The OCCAC should consult with the community and the Ministry when making decisions that will have public impact, and policy implications.

**viii) Decision to Distribute Promotional Materials**

An issue that arose during the course of the review was a negative community response to the extensive distribution of a large package of material promoting the OCCAC. People were concerned about the cost, the timing and the tone of the message. It seems the timing was accidental, as an outside consultant had been working with the OCCAC for months to produce the materials. However, these types of expenditures and promotional materials are seen as inappropriate, especially when service cuts are being made.

The best public relations are usually obtained by high quality day-to-day service to clients and other customers. Helpful communication by all staff, all the time, in its services and contacts with the public will reap ample rewards in public opinion. As one person interviewed offered, there is wisdom in the old adage, "Actions speak louder than words".

**Recommendation 28:**

The CCAC should concentrate on helpful day-to-day communication with everyone, and let their happy customers provide positive reports of their experience.

**D. Quality Management**

**i) Organizational Performance**

The Memorandum of Understanding identifies a system of organizational performance measures as a responsibility of the Executive Director. In the accountability framework used for this review, setting expectations, monitoring and reporting performance are important elements.

**Observations**

**OCCAC Policies and Procedures**

One way of clarifying expectations is through policy and procedure documents. Policies are designed to support the achievement of an organization's objectives. They should be established, communicated and practiced so that people understand what is expected of them, and the scope of their freedom to act. Policies prescribe how things should be done and prohibit inappropriate action, therefore providing the limits of acceptable action. If people are to exercise their judgment and creativity in the interests of the organization,

they must understand these limits.  Policies also need to be reviewed occasionally to guard against growing irrelevance.

The policies should be communicated to the employees and, for a large organization, documented formally as this lends itself to consistency across functions and locations. Another benefit of documented policies is that it provides the basis for continuity despite personnel changes.

During our review we noted that the OCCAC had policy manuals for Human Resource and Finance operations as well as policies for Managed Competition (contracting with service providers).  However, policies for client services were not highly developed. Some of the policies were detailed on the OCCAC intranet.  During orientation, new staff are advised of polices and sign a form indicating their intention to adhere to the Conflict of Interest, Standards of Conduct and OCCAC Information Systems policies

The existing policies covered a number of subjects relating to the operations of the OCCAC, however, they were not all consistent in format, as some had approvals and approval dates missing.

It was also noted that some of the financial policies, such as the requirement to fill out a form to justify "sole-source" purchases, and the requirement to obtain three written quotes for hiring consultants, were not always followed.

Human resource polices existed in three manuals, two of which dated to the time home care was operating under the regional municipality.

**Recommendations 29:**

The completion of policy and procedure manuals be done as a priority, in order
to guide staff in their work, enhance staff understanding of their responsibilities, and promote consistency in practice through:
a)  Reviewing the policies it currently has to ensure that they are relevant
    and cover the key activities in the organization.  Upon completion of the policy
    review, the policies should be collected into their respective manuals and on the
    intranet.  As the OCCAC is now a provincially established agency, the Management
    Board Secretariat directives that apply should also be included in the manuals and
    links provided for the intranet version.
b)  Indicating who has approved the policy, when it was approved and the effective date
    of the policy.
c)  Reminding staff regularly of the policies, and how these policies are part of the
    expected standards to ensure the achievement of the OCCAC's objectives, and that
    deviation from the policies will put the OCCAC at risk.

**ii) Monitoring Organizational Performance**

**Observations**

The OCCAC monitors its performance using its approved business plan as a reference point. Progress toward achievement of the goals and objectives in the plan is monitored monthly and reported to the Board.

Financial and statistical reports are monitored and reported monthly, identifying trends and projections. The monitoring of expenditures, statistics, and progress toward meeting Business Plan objectives is done well by the OCCAC.

The management staff meet weekly to determine how much new service can be provided within budget. They also monitor complaints and "occurrences" and report them to the Board.

A client satisfaction survey was done one year ago by a consulting firm.

The OCCAC is planning to create a quality improvement committee, but feels it does not yet have the staff to do it.

**<u>Recommendation 30:</u>**

Develop and implement a quality improvement process with a focus on monitoring effectiveness in meeting the needs of the full range of OCCAC "customers". New staff should not be necessary. As some of the existing projects are phased out, a small staff committee, under the leadership of a manager with expertise in Quality Improvement, could be quite effective. Outside customer and client participation should be included to ensure that the correct problems are identified, and the best options for solutions are found. The OCCAC might consider using input from the Community Advisory Council in creating the committee.

**iii) Complaint Process**

There is a complaint process that focuses on the resolution of issues by case managers who can ask their supervisors to intervene. A central record is kept of complaints and trends are analyzed. There are standards for the timing of responses. The staff can also offer a client ombudsman.

Some clients interviewed had not found the process effective, and feared retaliation if they complained to OCCAC staff. No client interviewed had been advised of an ombudsman. The term "complaints" ("and compliments") process itself seemed intimidating.

It seemed to clients interviewed that their only objective option was the lengthy, and expensive, provincial appeals mechanism, which was not seen as a reasonable or comfortable option.

There were positive comments about the previous Board's internal "appeals" process, which included a committee with Board representation that attempted mediation. Creative solutions were often found in the process.

**<u>Recommendations 31:</u>**

Complaints process:
a) That the process be called "local appeals" or "local review", as opposed to "complaints", as they seem less negative.
b) That the OCCAC follow the example of many other CCACs that have an "internal appeals" process involving an ombudsman, arms-length review mechanism – independent of OCCAC staff – and a creative problem-solving approach.
c) That printed information about the appeal processes be developed and given to every client upon admission.

**iv) Community Advisory Council**

There is a Community Advisory Council (CAC) in place, as required under provincial policy. Its composition is consistent with Ministry policy for membership. In interviews with the Executive Director, she described the work of the OCCAC Council as: seeking governance advice using a strategic planning process, while avoiding operational issues.

Under Ministry policy the role of the Council is to:

- Identify barriers to the smooth transfer of individuals from one part of the health and community support services system to another.

- Propose solutions to address system barriers to efficient patient transfer among hospitals, long-term care facilities and community agencies.

- Provide a forum for Council members to share information about the role each member organization plays in the health and community support services system to ensure that gaps or duplication do not occur for the people being served by the system.

Some people interviewed felt the CAC was being wasted. For example, it could have a role in addressing some barriers identified by parents of children with medically complex needs. Parents and providers of children's services could be invited to meet with the Council to discuss the barriers they encounter, and provide recommendations for addressing them.

It also might have had a role in planning for the transition of the ADP assessments that the OCCAC no longer does.

**Recommendations 32:**

**Strengthen the Community Advisory Committee (CAC) role by:**

a) Ensuring the CAC operates as a forum for the sharing of information about local health and support services, and for addressing gaps and duplication in client/patient services.
b) Ensuring the CAC membership reflects the full range of local health and support services.
c) Ensuring the CAC uses focus groups of clients – adults with disabilities, parents of children with complex medical problems, caregivers of frail elderly, etc.- to identify service gaps clients experience and offer suggested improvements

**v) Management Meeting Minutes**

Minutes are the means of capturing the essence of meetings. They document details of the deliberation over the agenda items, actions to be taken and who will be taking those actions within a specified timeframe. The Minutes also provide a means of communication to those that were not present, as they record how decisions were taken.

The senior management team meets on a weekly basis. The senior management team receives an Agenda on the topics that will be discussed, however, no Minutes are kept of these meetings.

**Recommendations 33:**

That meetings with senior staff and unit meetings be recorded in the form of Minutes. The Minutes should include the discussions that took place and the actions that are required, and by whom.

**vi) Relationships with Other Agencies**

A key part of the OCCAC's mandate is to cooperate with other organizations that have similar "objects". That would include all of the health and social services organizations in the Ottawa area that serve the same client or patient population.

**Observations:**

The OCCAC indicates that its objective is to maintain strong relationships with community agencies, and management seems to have a good understanding of the full range of partners in the service system. However, only some of the local agencies felt there was true collaboration.

The collaboration was felt most positively by some hospitals and nursing agencies, at the CEO and Board level. It was also felt by most agencies at the front-line staff level, with respect to their dealings with case managers around client issues.

Those that did not experience collaboration included managers in Community Support Services agencies, agencies providing service to people with disabilities, some hospitals, and other community health or social service provider agencies. Their experiences with the OCCAC caused them to believe their roles were well not understood. They felt that they were often not considered, or were offered consultation in which their comments were ignored. While some community agencies thought the OCCAC was more focused on its relationships with hospitals, some hospital middle managers expressed a need for more open and free-flowing information in the facility placement process. Long-Term Care Facilities indicated a need for more regular meetings with the OCCAC, something they had in the past.

The result of the strained relationships for much of the service system was general distrust of the OCCAC. Some said they were potential allies but had given up on the OCCAC. However, the experience with relationships varied depending upon the particular member of the OCCAC administration involved in the interaction.

From the OCCAC perspective, managers have generally found relationships with community support service agencies difficult. The OCCAC has assigned the responsibility for relationships with provider agencies to one small department, the Managed Competition, Strategic Alliances, and Partnerships unit. The two staff in this department were generally found to be helpful. However, partnership relationships are something everyone throughout the organization has to work at constantly.

To change the state of relationships will require considerable effort on the part of everyone at the OCCAC. Renewed effort, willingness and openness on the part of the partner agencies will also be required, to help create the collaborative environment that will foster a service system where all the participants work together smoothly, in the interest of the people of Ottawa. The strength that can come from agencies working closely together, as allies, will provide benefits to the people of Ottawa that are much greater than the sum of the individual efforts.

**Recommendations 34:**

The OCCAC should improve relationships with other agencies:
a) The OCCAC should work hard at regaining the trust of the whole local health and community support service system. Discuss with all affected agencies any changes planned to policy or practice, in advance of making the change, providing rationale, options etc., as per the model described earlier for prioritizing service needs. Amend plans, where necessary and possible, based upon the discussions.
b) Use the Community Advisory Council, with expanded membership if needed, to jointly address barriers or impediments to seamless community services for clients.
c) Build on the strengths of the good relationships among front-line staff in all agencies. At this level all staff are committed to client service, and are familiar with what

clients need. Regular once or twice yearly meetings among representatives of front-line staff of partner agencies could help all develop a better understanding of each other's mandates and funding limitations. As one contributor stated, with staff working together at this level, good things could happen.
d) Depend less on the Director of Managed Competition to ensure good external relationships. This is not a function that can be delegated to a small group.


## E) Communication

The MOU between the Ministry and the CCACs assigns responsibility to CCACs for communication with staff of the Ministry, and with key stakeholders.

## i) Communication with the Ministry

In the communication between the Ministry and the OCCAC, both parties have identified areas where they would welcome improvement. The OCCAC feels it needs more policy clarification, and notes some inconsistent instructions from time to time (The example given related to two different parts of the province, two different governments, and direction given two years apart. Circumstances do change over time and place, so differences would not be unexpected or inappropriate.). The Ministry would like to be kept informed of internal OCCAC planning and potential contentious issues.
It would like to be consulted before decisions are made which will affect the community. However, the OCCAC Executive Director indicated that she had received direction from the Board Chair to limit discussion with the Ministry.

## Recommendations 35:

The OCCAC should improve relations with Ministry:
a) The OCCAC should keep in close touch with the Ministry Regional Office, which is the specific Ministry area responsible for supporting the OCCAC. The Ministry is handicapped in providing this support without early and complete information. The Ministry is potentially the OCCAC's greatest ally. By working closely and creatively together a great deal more good can be accomplished, and much harm can be avoided. Working together on problems will also build bonds and trust. For example, it is recommended that when policy doesn't seem clear, the OCCAC identify the problem to the Ministry, which in turn can seek clarification if necessary from Ministry policy staff.
b) The OCCAC should invite the Ministry to assist in explaining policy to OCCAC case management staff, and community groups. This would enable the OCCAC staff to subsequently explain policy and its rationale correctly and consistently to clients and the community.
c) Staff could be seconded from the OCCAC to the Ministry, or vice versa, if opportunities should arise. This will help the OCCAC understand the Ministry environment, and the Ministry to understand that of the OCCAC, so that they can better meet each other's, and the community's needs.

### ii) Communication with the Community

The OCCAC uses a number of large formal events to communicate with agency stakeholders, but finds these poorly attended.  Some stakeholders found these formal settings unhelpful, with a tone of self-promotion.  What they are seeking is an exchange of information among all parties, in an atmosphere of collaboration and equality.

Very important stakeholders are clients themselves.  While most clients are not able to participate in group activities, there are other opportunities for communication. Case managers are interacting constantly with clients, and while many clients interviewed were reasonably happy with the assistance received, others found that general information about the services available from the OCCAC and other agencies was not well provided.  Clients felt the Case Managers were at times themselves unclear about OCCAC policy, how decisions were made, and the full range of local resources.

Another opportunity for valuable discussion with clients is through the use of groups of client representatives and families, including parents of children with complex needs. Meeting periodically with these groups offers group problem solving, for the benefit of many other clients.  According to clients interviewed, meeting with client groups has been an activity of the Director, Managed Competition, Strategic Alliances and Partnerships.  However, it would seem that the participation of client services management in these meetings would enable problems and solutions to be more effectively identified.

In external interviews, people suggested that one type of communication that is greatly needed is just basic, expert information about OCCAC services, amounts available, and how the process works.  They suggested that OCCAC representatives meet with local clubs and organizations to improve the understanding of this complex set of services.

An area of OCCAC communication that was praised as particularly strong was the telephone reception.  OCCAC staff have been found to be helpful in finding appropriate live contacts for people calling.

### Recommendations 36:

Improve relationships with community agencies and clients by:
a)  Hold informal, smaller meetings between client services managers and agency partners.  This would provide the opportunity for more open information sharing and problem solving among people involved with providing services to the broad client population.
b)  Shift or share responsibility for meeting with client groups to a manager in client services, who is better positioned to work with clients to find creative solutions to specific service problems.
c)  Provide case managers with information packages to give to, and discuss with, clients.  The packages should include OCCAC services available, how the process works, and how the services might change over time (both increasing as needs

increase, and decreasing as people get better).  It should also include the range of other services available within the local community services system.

## F. Human Resources

Human resources are the most important assets that an organization can manage.  Human resources management is concerned with the management of people at work.  The ultimate purpose of human resources management is to acquire, motivate, deploy and reward employees so that employee contribution to the achievement of organizational objectives is maximized.  The human resources management function components are planning, organizing, directing, advising and monitoring and evaluating.

### i) Code of Conduct

Ethical values are part of an organization's culture and provide an unwritten code of conduct against which behaviour is measured.  A formal, written code of conduct offers a means for consistent communication of the standards of ethical behaviour.

The OCCAC does have written Standards of Conduct policy that was approved by the Board of Directors in July 2000 and revised in 2002.

As part of the hiring and orientation process, the "Declaration of Confidentiality and Adherence to Policies" form is signed by the employee as evidence that they have read and understand the policies with regards to conflict of interest, standards of conduct and OCCAC information systems.

During our review we noted that the forms are signed once at the time of the hiring/orientation and they are filed in the respective personnel files.  The staff are being verbally refreshed on the Standards of Conduct policy, however they do not sign any form as evidence of their reaffirmation and understanding.

### Recommendation 37:

Staff be asked to periodically confirm their understanding and observance of the Standards of Conduct and other policies pertinent to the CCAC.  This could be done during the time of their performance appraisals, by having it as an objective of the performance plan that would be signed.

### ii) Employee Performance Contracts

Clearly defined authority, responsibility and accountability help ensure that qualified individuals make the right decisions.  Setting the expectations, objectives and results expected would allow employees to understand how their individual efforts will help achieve the overall organizational objectives.

During our review we noted that the OCCAC does have job descriptions for the staff but they do not have any performance contracts with employees. The OCCAC has started to prepare Accountability Framework documents that detail the goals and objectives for each of the senior management team. However, these have not been signed or dated, nor is there any indication that they have been discussed with the employee.

There does not seem to be any such frameworks for the other staff, except for a "Performance Review" form for the managers of client service, which sets out the expectations of the employees in that capacity.

### iii) Performance Appraisals

How effective an organization is in meeting its objectives is largely dependent upon how well its staff perform their jobs. It is possible for staff to work hard at their jobs while working against their organization's objectives because they do not understand what the organization's objectives really are, or how their own work objectives fit within those of their organization. Performance appraisals provide a means for staff to set objectives consistent with their job requirements and the objectives of the organization. Also the performance appraisal will help identify those skills that the employee needs to acquire to better perform the tasks necessary to support the achievement of the organization's objectives.

A performance appraisal includes the establishment of individual objectives and criteria, ongoing dialogue and, at the end of the predetermined time period, a meeting to formally rate the employee's performance against the criteria established.

The OCCAC has not formally completed any performance appraisals. The OCCAC has started to introduce performance management as indicated by the documents "Performance Review-Managers of Client Services" and the "Performance Management Plan 2003-2004 - Executive Director". Some training has also taken place for the staff on Performance Management.

The OCCAC forms for performance reviews indicate the expectations, however, they do not presently have space for the employees' comments and signature.

### Recommendation 38:

Improve performance contract and appraisal process:
a) Complete and formalize the accountability frameworks and ensure performance plans and contracts for all employees, indicating the goals and objectives for each employee for the upcoming period. The individual goals and objectives should be tied to the OCCAC objectives for the year.
b) Ensure that employees have the opportunity to participate in establishing their goals and objectives to ensure that they are well understood and achievable.
a) Ensure that the documents be signed and dated to witness their acceptance. These contracts then become the basis for the formal performance appraisal.

d) Ensure that the criteria by which the performance will be measured against the objectives, and the actions to be taken by the employee to achieve the objectives are set jointly. Revise the forms to include the employee's comments, dates discussed, and signatures.  Many modern organizations also include a component, in performance reviews of supervisors, whereby subordinates assess the performance of their supervisors.

# CLIENT SERVICES

**Review Process**

The review of client services included interviews with a number of staff in different positions, a focus group, review of client records, policy documents, consultant reports, Strategic and Business Plans, project status reports, job descriptions, financial and statistical reports, notes from meetings, Board Minutes, client information packages, organizational charts, and service transition plans.

**Standards Applied**

The standards used were those set out by the Ministry in legislation, regulations, policies, protocols, Memorandum of Understanding and Accountability Statements.

The Accountability Statements are:
- Provide Ontarians with fair and equitable access to community-based health and long-term care and other related social services so that Ontarians are better able to remain in their home and/or desired community.
- Facilitate partnerships with providers of health care and broader human services so that different parts of the system work together.
- Arrange cost-effective, well-managed services to eligible clients within available resources and in accordance with applicable legislation, regulations, and ministry policy.

**Observations:**

The Ottawa Community Care Access Centre (OCCAC) has experienced significant change in three areas:

1) Change as a result of decisions taken by the Government of Ontario:

Enactment of the *Community Care Access Corporations Act, 2001,* that resulted in a change of all Board members, and the Executive Director.

Ministry of Health and Long-Term Care expectations that included:
Changes to the Placement Regulations, effective May 1, 2002

CCAC Reform initiatives:

- Contract Management – procurement policy and standard documentation
- Common visual identity for all CCACs
- French Language Service Compliance Plan (applicable to OCCAC as a designated CCAC)

- Accountability Framework expectations are set out in the Business Plan Guidelines
- CCAC (client) Assessment Priority project or the RAI-HC as it is more commonly referred to implementation of the RAI-HC, which has required training for Case Managers on the first standardized provincial assessment tool, and on learning lap top computer skills
- Case Management resource allocation
- Implementation of MIS guidelines
- C3 (Community Care Connects – a project led by the Ontario Association of CCACs to standardize systems across CCACs)

2. The OCCAC initiated changes itself.  These projects, which have been implemented to varying degrees, include:

- Ottawa Community Care Access Centre Baseline Assessment (PriceWaterhouseCoopers' Report - August 14, 2002)
- Smaller World Communications Survey - Your Organization Your Views: Employee Survey  – March 2003 and
- Client Evaluation Survey  – January 2003
- Implementation of a client driven care philosophy
- Changes to the majority of case manager assignments from specialist to generalist assigned to specific geographical areas
- Changes from centralized to decentralized (satellite) offices and case management teams
- Changes to the roles and responsibilities for all client services support staff to create an enhanced support role under which all support staff are now referred to as Client Service Representatives
- Acquisition of the Integrated Care Management System which requires training for all Client Services staff

3. While not necessarily directly related to the above sets of changes, the organization has experienced considerable personnel turnover and reorganization at both the management and front-line levels.

All of these changes are taking place within an agency operating in a sensitive climate. Ottawa has been identified by staff as a community where all public services are under scrutiny and where any change will result in advocates profiling the change and the real or perceived impact in the media.  In other geographic areas, the usual criticism that accompanies such situations is that while the critics are free to go to the media, the agencies are limited in how they respond.  In Ottawa, from the perspective of staff, they understand why questions are being raised in the media as many have the same questions. The staff feel that they are not represented well when the Board speaks to the media – that the Board, through a lack of understanding of the case management role or a desire to provide extra emphasis to a statement, misrepresents and devalues their work.
As an example they described the Board Chair as having said that client assessment time had gone from five hours to 20 minutes – a gross exaggeration at both extremes.

**A. Staffing**

Everyone – Directors, Managers, Case Managers, and Client Service Representatives – is committed to client services and believes in the value of the work of case management to support clients and their caregivers. Case Managers focus on the individuality of each client and client situation.

With the move to integrate the Placement Coordination Service function into geographic teams, and the move from specialty teams to geographic teams, the OCCAC now refers to five specialty teams: Hospitals, Pediatrics, Palliative (including Cancer Care), Geographic (Central North, Central South, East, South, West) and Extended Hours. During the staff interviews, a comment was made that the retention of the Paediatric and Palliative specialties was the result of extensive lobbying by staff and by the community.

In both internal and external interviews, the need for a return to some form of specialist expertise in psycho-geriatric services was highlighted. It was felt that without such expertise these client needs, and local resources to meet them, were not being identified.

**B. Management of Change**

Staff at all levels of any organization must cope with change. The staff that the Review Team interviewed did not object to change, and supported the majority of changes that have been introduced. Their concerns were about the volume of change, the magnitude of some of the changes (Integrated Case Management System - ICMS), the timing of the changes (many at the same time) and the scope of the changes (involved both program and organizational restructuring).

**Volume of Change**

There are concerns that the organization is simply trying to do too much all at once. This has two negative consequences for staff. One: a lack of time to master any one change and feel comfortable incorporating it into regular routine before another change is introduced. Two: a sense that before all the consequences of one change have been worked out, it is on to the next.

As a result, when staff ask for additional information about the application of the initial change in a given situation, no one has time to develop any policies or procedures in support of the first change because they are committed to the implementation of the next change.

**Magnitude of Change**

Several of the changes noted above constitute major changes for the organization and its staff. They not only mean new factual learning but also require enhanced technical skills and a new approach to how work is done. Two examples are ICMS and Resource Allocation. Details on each appear elsewhere in the report.

For the purpose of this section, it is sufficient to note that while implementation of the ICMS has been delayed, managers and staff spent considerable time being trained on this system. It is a known principle when introducing technical change, that the change should be introduced as close to the "go live" date as possible so those trained can immediately begin to use their training on a daily basis. Staff lost time to the training, and they will have to be retrained based on a revised implementation schedule.

While some work has been done on the planning of the Resource Allocation model to be used in Ottawa, it is not clear that thought has been given to how its introduction will change business practices at the front-line level; or whether Case Managers have been prepared for the increased level of responsibility the implementation of this model will require.

**Timing of Change**

The Review Team heard comments about the OCCAC desire to be "first", to be "unique" among CCACs in the province. Many felt that this was the driving force behind the need to introduce change quickly. Many felt that a longer timeframe would have allowed for the introduction of change gradually, and the result would be less disruption for client services, greater community understanding, and less public criticism. While there may be no ideal timeframe for change, it is clear from the literature that gradual change, when possible given the nature of the change, has distinct advantages for both the introducer of change and the recipients. At the same time, the Review Team is aware that when change involves a total redirection, the "sharp shock" approach is recommended. The majority of change experienced by the OCCAC, particularly program changes from the government, and service changes affecting clients, would meet the criteria for gradual introduction.

**Scope of Change**

The organization introduced internal restructuring and revised roles for some staff at the same time as program changes were being introduced. When individuals are subject to change, it is normal to seek support from others who are undergoing the same experience, particularly work colleagues. Unfortunately, the internal restructuring (from specialized to geographic teams) resulted in the break-up of established team relationships, leaving staff without an immediate informal support network. The internal restructuring resulted from recommendations in the PriceWaterhouseCoopers report, commissioned by the OCCAC. These changes were introduced at the same time that the Ministry was requesting changes, and the Board and administration were making additional changes.

**Recommendations 39:**

**Address the change process:**
a)  Slow the amount of change, and give priority to implementing the changes which have been required by the Ministry for all CCACs.
b)  Develop a timeframe for implementation of each change which includes sufficient time for staff to incorporate the change into regular routine, through on-going practice.
c)  When introducing multiple changes affecting the same positions in the organization, ensure that additional time is included, over and above the time assigned to each individual change, to allow for assimilation of the new learning and for the development of staff expertise and efficiencies.
d)  Do a full analysis of the impact of the changes on the business practices of the organization, and provide full documentation of the changes prior to implementation.
e)  When implementing multiple changes, involving all levels and aspects of the organization, a master workplan and schedule should be made available throughout the organization and be updated regularly.

## C. Client Services Management

### i) Directors:

The Review Team found a clear distinction between the roles of the two Directors. This distinction is intended to build on the strengths that both individuals bring to the position. At the same time, both Directors provide coverage for each other and either is available when an immediate response is required.

One Director is responsible for the OCCAC's work with hospitals and Long-Term care facilities, as the incumbent brought established connections in these areas to the position. One Director is responsible for pediatrics, non-contract portion of therapies, and case management.  Again, this assignment reflects the strengths the individual brought to the position.

Both indicated that while staff within Client Services readily identified who to go to for what, staff in other parts of the organization expressed confusion about who was responsible for what.  The Review Team confirmed with managers and case managers that staff at these levels in the organization are aware of the differences between the positions and that either may be contacted when needed.

### ii) Managers:

When fully staffed, the organization has eight client service manager positions.

In addition to carrying supervisory responsibility for the staff positions within their teams (Case Managers and Client Service Representatives), each manager carries the lead for a service area (e.g., nursing, Adult Day Services), a component within a program area

(equipment, supplies) and/or a special focus or project (e.g., Orientation, IV Infusion Project, Infection Control).

One manager is responsible for staffing which includes the assignment of extra staff to areas experiencing workload pressures. It is intended that the staffing responsibility be rotated among all the managers.

The span of control for these managers is considerable. A review of the Organization Chart shows the number of staff reporting to these managers as ranging from a low of 16 (Palliative/Cancer Clinic) to a high of 30 (Central South). However, if the numbers for casual and relief staff were added, it is likely that the Extended Hours/Contact Centre team would have the highest number of staff to supervise, at 60 or more.

Our calculation of the overall OCCAC management to staff ratio is one manager to approximately seven staff. This is a more than adequate supply of managers across the whole organization. In comparison, the managers of case managers have a very high number of staff to supervise, in an area requiring the greatest need for supervision.

In addition to the numbers of staff reporting to them, the introduction of satellite offices means that a number of managers are responsible for staff at more than one site.

While the managers provide coverage for each other, some of these positions are more similar than others. Managers with geographic team responsibility have more similar roles, while the managers of Paediatric, Palliative, and Placement carry more distinct responsibilities due to the nature of the specialties. While responsibility for placement had mainly been integrated within the general caseloads, one Manager is responsible for this program area both due to the level of expertise required and the number of inquiries received about this program area.

Managers had very positive comments about the Directors with respect to both their accessibility and the level of support provided. The managers indicated that when they present an issue or problem, they are expected to present some options for resolution and the Director works through the options to decide on the most appropriate choice.

### Recommendations 40:

a) Review the numbers of staff supervised by client services managers, and shift the balance of supervisory resources toward client services, to reduce the number of staff the client services managers support.
b) Review how "lead" roles are assigned, to ensure an even distribution of workloads.

**iii) Case Managers:**

**a) Orientation**

The orientation program for Case Managers was previously three weeks in length. It has now been lengthened to four weeks due to the extra material which results from the internal and external changes. Incumbent case managers refer to how difficult it is for new Case Managers and how they encourage new staff to ask questions of other team members as they move along the learning curve.

While the orientation program is very necessary, it was referred to as intimidating for new employees due to the sheer volume of material to be assimilated. As a result, it is recognized that a lot of learning happens on-the-job.

Replacement staff is not provided for Case Managers who work on the orientation program. Therefore, some Case Managers who would like to work on orientation do not do so as a result of their heavy workload. While the review team did not gather information about how the experienced Case Managers are assigned to orientation – volunteer or recruitment – the review team learned that different Case Managers did orientation at different times. As a result, there was less consistency in the information provided than if designated Case Managers fulfilled this role.

The orientation program is designed for new employees coming into the organization from outside. Several staff expressed the need for an updating process which could be accessed by staff returning from leaves of absence so that changes implemented during their absence could be noted immediately.

Other than training on changes, there does not appear to be any "in-service" training provided to current staff. Such training needs would be identified by the organization either through performance appraisals, through a review of comments from case managers or service providers, or through concerns expressed by clients or other stakeholders.

**Recommendations 41:**

a)  Identify the needs for regular "in-service" training for Case Managers and for Client Service Representatives.
b)  Establish a formal program for up-dating staff returning to employment after a prolonged leave.

**b) Caseloads**

When a client is referred to a general caseload, the process followed by Intake is as follows:

Determine whether the client will fit a specialty caseload: Palliative, Paediatric. If not, then the client is assigned to a geographic team.

If the client is assigned to a geographic caseload, (by postal code) language needs are also considered and accommodated where possible.

When it is a new client, the assignment to a Case Manager is based on the number of clients already on that caseload, the number of new clients assigned that week, plus the number of home visits assigned that week.

The benchmark is two new home visits per week. If, due to adjustments in caseloads, one Case Manager has a lower number of cases, the total will be adjusted over time (i.e., the Case Manager won't receive a large number of referrals in one week).

The Intake Case Manager is not aware of referrals to the Case Manager coming from other sources.

If the Intake Case Manager is aware that the caseload is being covered on a temporary basis by someone else or by casual staff, fewer referrals will be made.

If it is a paediatric referral, assignment is based on the school area and is done by the paediatric team.

If it is a palliative referral, it is assumed that a home visit will be required.

The OCCAC benchmarks for caseload size are 110 for a geographic caseload, 50-60 for a palliative caseload and 154 for a paediatric caseload. The Review Team did not do a detailed comparison of caseload levels across CCACs but feels that these numbers are reasonable and is aware of CCACs where the numbers are higher.

**c) Coverage**

The introduction of generic or geographic teams and satellite offices presents challenges for the organization when arranging coverage for absent Case Managers and Client Service Representatives.

The specialty teams function differently from the geographic teams, thus staff trained in a specialty area cannot directly transfer those skills to the different area. New staff do tend to be trained by individual teams based on where they are expected to be assigned when orientation is complete. Staff, who have worked for the organization for some time but have spent that time in one program area, may not be able to provide coverage in another area without training in the procedures of that area.

For the Client Service Representatives, when all staff were at one location, part day coverage in different areas was possible by having staff simply change desks.

Now staff must travel to different locations during the day depending on where they are most needed.

While there may be other reasons for the introduction of the general support role of Client Service Representative (CSR), staff feel that the organization perceives a benefit in more flexible coverage.  However, as noted above, and as will be discussed below regarding the implementation of the enhanced role for CSR, it may not be as easy to transfer staff among program areas as the organization perceives.

Coverage in the satellite offices during extended hours may be problematic as Extended Hours staff work out of the main site and must access information from files located at the satellite offices.  Staff assigned during extended hours at a satellite may not be Case Managers and thus unable to interpret information from a file for the Extended Hours Case Manager.  Time is lost as support staff have to fax information before Extended Hours staff can address the problem presented.

The filing system for OCCAC files at the Cancer Centre has been revamped to match the Cancer Centre model.  The result is that these files are no longer consistent with the rest of the organization.

**Recommendations 42:**

a) Review how staff is assigned to coverage duties both at the main site and at the satellite offices.  Ensure that staff has received training in the area to which they are assigned.
b) Review the assignment of staff to extended hours in satellite offices to ensure that staff can meet the needs of the Extended Hours Case Managers.
c) If coverage is to be provided through staff trained to work anywhere in the organization, all systems within the organization should mirror each other as closely as possible.

**d) Communication**

As mentioned above, the Client Services Managers are under pressure from the number of staff they supervise, and the number of offices in which their staff are located. In addition their workload is increased because of the responsibilities they carry as leads for a variety of program and organizational projects.

Case Managers identified many of the pressures which they face as coming from policies introduced by the OCCAC as cost containment measures. They gave the following examples:

No longer able to provide assessments for all ADP applications, with limited alternatives

Limited ability to provide services to clients at home even when effectiveness of the in-home provision is known: e.g., infusions versus bolus

Requirement for fairly rigid application of "rules", leaving little room for creative service solutions.

Doing lengthy assessments for service when the client is unlikely to be admitted

Although case managers are told that hospital patients are a priority, if the patient need Personal Support or Therapy, they must be placed on a waiting list

Some pressures faced by Case Managers are a result of provincial policies:

- Where clients need more than the policy maximum amount of services but there are no other local resources to meet the clients' needs

- OCCAC was one of the last in the province to implement the RAI-HC assessment tool, and therefore must move ahead quickly despite other competing priorities

- Implementation of provincial policy as part of MIS guidelines that clients must be discharged from the CCAC if absent for14 days due to a hospital admission.  This policy creates problems in Ottawa when OCCAC clients are admitted to hospital, because of the local OCCAC policy for placing people on waiting lists after discharge from hospital.

**e) Other Pressures Faced by Case Managers**:

Assignment to various committees to work on the numerous new projects, which takes away from the time available to clients, yet benchmarks for RAI-HC assessments and for home visits must be met.

Inconsistent messages regarding client priorities: keep people in their homes, versus place people in long-term care facilities, versus meet the needs of hospitals.

All the changes have had a significant impact on the Client Services staff of the OCCAC, and all staff are experiencing stress and pressure related to the volume and the nature of the work.  Although there is good evidence that OCCAC management has tried to provide ongoing communication to all staff  - e.g., staff forums, focus groups, Intranet updates, newsletters - Case Managers and Client Service Representatives have different perspectives on how well information has been shared and made available.  This is probably not unusual in an organization of the size of the OCCAC, particularly with the number and magnitude of the changes that the OCCAC has experienced.

At the same time, the ability of the organization to "hear" what it's staff are saying about their work environment is crucial; and how the organization responds affects the morale of the organization.

Staff interviewed by the Review Team consistently supported the OCCAC's vision and made positive comments about the quality of the staff who work for the organization.

At the same time, they commented on a number of work factors including those referred to above, which create anxiety.

In order to understand how information is communicated throughout the organization, the Review Team tried to establish the frequency and type of meetings held by members of the organization. What follows is a brief summary:

- **Weekly:**

Every Tuesday there is a Client Services meeting to review the Business Plan, Key Performance Indicators, Issues, Guidelines, staffing and client priorities. This group makes the decisions related to cost containment, determining the level of priority of clients, and the number of clients, to be admitted during the following week. The group includes selected Directors and managers.

- **Monthly**:

Managers meet monthly with their team (Case Managers and Client Services Representatives). They review the agenda from weekly Directors meetings and discuss issues that affect the team. In addition, this meeting may be used to vet issues prior to taking them to the monthly Team Representative meetings. Some teams meet according to this schedule; some do not.

At team representative meetings, one representative from each team meets with the Director of Client Services and Managers. Case Managers set the agenda and the focus is on topics with an impact on the whole organization.

The placement team meets every three weeks and the hospital team every six weeks.

- **Periodically**:

Every four months there is a full staff forum. Some felt that these meetings were more ad hoc than regularly scheduled.

In addition to these meetings, Directors and Managers use e-mail to convey information to staff. The phone system also provides the ability to make broadcast messages but this is used infrequently.

Managers indicated that they were "on the floor" on a daily basis to talk with staff and field questions. This form of communication becomes more complex with the introduction of the satellite offices.

Given the size of the organization, this schedule of meetings appears reasonable. However, the nature of comments heard in the interviews suggests that staff would appreciate hearing more about how decisions are made during the Weekly Client Services Meeting, particularly the reasons behind changes to guidelines or directives. If senior

staff feel that this information has been provided, then there is a need to review the communication process to ensure greater effectiveness. Case managers need to understand the rationale for decisions to enable them to give full explanations to clients.

One group in the organization which appears not to meet regularly as a group is the CSR's. Given the changes in this area, and that these positions are key to efficient operations, this is a noticeable omission.

In spite of the OCCAC efforts at internal communication, clients interviewed reported that case managers at times seemed to lack an understanding of some policies and initiatives.

### Recommendations 43:

Review staff communication processes:
a)  Establish a schedule for regular Client Service Representative (CSR) meetings and ensure representation from all sites.
b)  Ensure complete and consistent information is shared with staff where only representatives attend meetings.
c)  Ensure that staff receive complete and consistent responses when they request information.
d)  Ensure that the level of detail of information provided is appropriate to the level in the organization to which it is directed.
e)  Provide supporting point-form scripts for Case Managers to help them provide accurate and complete information to clients. In addition to policy clarification, the scripts should address the issue of waiting lists and how they work, as well as the reasons for decisions to reduce services.

### f) Enhanced Roles for Client Support Representatives (CSR's)

The term "enhanced role" is one which is used by the organization to describe the change from two separate support functions – service ordering and records – to an integrated support position. This new position is called Client Service Representative (CSR). Staff interviewed at both the front line and management levels expressed concern about the implementation of this change. The Review Team heard different messages from Senior Management and from staff with regard to how these concerns had been received.


**The concerns were described as follows**:

No clear statement of what the enhanced role includes. As a result, Case Managers do not know what they can ask of the CSR's and expect to have completed. This is particularly difficult when the regular CSR is absent and someone else is filling in. The opposite viewpoint is that some Case Managers are eager to transfer duties to the CSR's

while others are reluctant.  A lack of clarification of the role prevents CSR's from carrying out their new mandate.

No training for CSR's to ensure they can meet the expectations, which are described. CSR's indicated that they had received no training on how to record information in a client file.  The policy document for the Contact Centre says that "clerical staff are required to adhere to Case Manager standards for documentation".

All support staff are to perform the enhanced role. Staff were hired based on the requirements of the original positions and some of these staff may not have an interest in, or the ability to learn, the skills necessary to perform the enhanced role.

When a CSR initiates an action, it is not evident whether it was done at the direction of a case manager, or on the CSR's own initiative.   This could be problematic under certain circumstances.

One reason for the integrated role is so CSR's can provide coverage anywhere in the organization.  As noted above under "Coverage", work in different areas is not the same and staff trained in one area cannot necessarily function in another without training.

The local CSR to Case Manager ratio is intended to be 1:4.  In practice, it is now 1:5 and 1:6 in some areas. It was suggested that the satellite teams may have to move to 1:3 due to the requirement to staff the counter.   Any benchmark ratio will be more difficult to maintain over multiple sites than at a single site and so must be carefully monitored. Recruitment planning for this position is essentially to ensure adequate support immediately following any vacancy.

While the Director of Development and Human Resources indicated that during the next six months the focus will be on clarification of expectations, training and skill upgrading, and performance management for Client Service Representatives, Case Managers and CSR's indicated that they were told that the information had already been provided and both should proceed to operate on the understanding that the enhanced role was in effect.

### Recommendations 44:

a) Clarify the expectations for the CSR the role with both Case Managers and Client Service Representatives.  Ensure that the expectations are appropriate to the qualifications of staff;
b) Document requirements and parameters for CSR's.  For example, in any areas where the CSR is expected to exercise judgement, ensure that the parameters for decision-making are clearly spelled out;
c) Provide training as needed for the CSR's;
d) Monitor implementation to ensure that Case Managers are changing their business practices to accommodate the new role and that CSR's are functioning at the appropriate level;

e) Establish a standard recruitment protocol for CSR's which can be implemented with minimal delay.

**g) Support Systems**

There are currently two existing support systems for client service staff: the telephone system and the information technology (IT) systems. The Review Team did not conduct any tests on either system but asked questions of both Case Managers and CSR's about the quality of the systems.

The telephone system sometimes "goes out", and voice mail cannot be accessed.

Problems with the current information technology were readily volunteered. The problems are experienced by staff at various levels in the organization. As the Review Team for client services were not technology experts, it is unknown whether the system is at fault or whether there are issues in how it is being maintained.

The problems were described as follows:

- The system is slow and frequently "freezes". The frequency of the problem is increasing.
- It is difficult to get IT support staff to respond to phone calls. They are not readily available. The situation is compounded when trying to access IT support from a remote location – either a hospital or a satellite office. Reference was made to a "3000 line" which was supposed to respond within 15 minutes but never does.
- When Case Managers download a completed RAI-HC from their laptop to the system, there is a good chance that the system will crash and the completed document will be lost.
- Staff have been told that there are insufficient "portals" for all users. For one to sign on, someone else must sign off.
- With respect to the Integrated Care Management System (ICMS), the initial "go live" start date of January 2004 was extended to March 2004. At this time the project is being further delayed with only the initial test teams continuing to use the case management portion of the ICMS. ICMS problems include the inability of its software to interface with the existing service ordering system, OASIS, and the Ministry version of RAI-HC.
- It is difficult for the Review Team to understand why an organization would commit extensive staff time to train on a system which was not immediately available for full implementation. The Review Team did learn that the one team which has tested some of the functions likes what they have and are continuing to use it even though it requires duplicate entry. However, allowing the system to continue to be used in this way raises further questions about the management of staff time. Given time pressures identified by staff, using time for duplicate entry is inefficient.

**Recommendations 45:**

Review telephone and Information and Technology systems by:
a) Request documentation from staff regarding problems with the telephone system and work with the telephone company to have the problems addressed.
b) Analyze the nature of the current IT system problems and put further development and changes on hold until the stability of the system is established.
c) Ensure an appropriate IT support unit is in place before proceeding with any technology changes.
d) Review whether the phone system and the IT system were designed for, and have the capacity to work effectively in, a multi-site environment.   If not, make appropriate changes.
e) Close down the ICMS until its utility has been objectively evaluated by the Ministry.

**h) Policies and Procedures**

The Ministry sets out its requirements for service delivery through legislation, directives, guidelines, policies and procedures.  Since these requirements must be adhered to by every CCAC in the province, the requirements are very broadly written.  They address what must occur but rarely how it is to occur.

Since the Ministry material does not address details, there is an expectation that an agency funded by the Ministry will have written its own policies and procedures to provide detailed information to staff.

In 1984, the Ministry issued a Program Manual for Home Care which provided substantial detail about the provision of in-home services.  This was followed in 1994 with a number of recommendations on service provision, some of which updated the 1984 information and some of which were new.  Some CCACs continue to use these documents as the basis for local policy manuals.
Subsequent policy directives have been given to CCACs, and the Ministry is currently working on a Program Manual which will consolidate all these directives.

The Review Team requested copies of all the OCCAC policies and procedures.  We received a binder containing a few detailed policies together with a list of policies that are available on the Intranet.  Our review identified a number of concerns.  We will not attempt to address every policy but will reference specific policies as examples to illustrate our comments.

The Review Team felt that there was a lack of policies in the client service area.  Case Managers were asked specifically what policies they used for service decisions and confirmed that the front line staff asked each other for the current practice rather than being able to refer to a written policy or procedures.  Informal sharing of information results in inconsistent practices and can result in clients not being treated equitably.  One example relates to clients who refuse personal support services from the OCCAC.

Some Case Managers record these clients as not admitted, and close the file. Others assess the clients' homemaking needs and put them on a waiting list.

The Case Managers told the Review Team that a number of initiatives to create a complete Policy Manual had been started. The initiative would start with one manager. That person would leave and all activities would stop until a new manager could be found. After this happened several times, the Case Managers involved in the project became discouraged and did not pursue it. Many hours of work were lost as a result. This was referred to by some as the A-B-C Manual. It was intended to complement the 1-2-3 Manual which outlines Guidelines and Procedures for use by support staff. The difference between the manuals is that the support staff continue to update their manual, while the Case Management Manual has been ignored.

- **Policies on Supplementary Services**:

Three of the policies reviewed contained incorrect legislative references – transportation, medical supplies and equipment. These policies said the services were funded as a Community Support Service under the Long-Term Care Act. The OCCAC receives no funding for Community Support Services (which are specifically set out in the Long-Term Care Act). Transportation, medical supplies and equipment are provided by the OCCAC under the authority of Regulation 552 to the Health Insurance Act (HIA), section 13 (1).

Further, this section covers the provision of nursing, therapy, and diagnostic and laboratory services as well. The provision of these services is limited to situations where the client is in receipt of a professional service. Although transportation is rarely authorized by Case Managers, without a policy citing the correct reference it would be possible for clients who are not receiving a professional service to be provided with transportation, or medical supplies and equipment, contrary to policy.

Equally, this section of the HIA allows the CCAC to provide laboratory services. All levels of staff confirmed that the OCCAC does not provide this service. Since it is an approved service, there should be a policy which notes the authority and states when the service is can be provided.

- **Policy Interpretation:**

Case Managers commented on the "directive" nature of the OCCAC guidelines which do not provide the flexibility to exercise judgement based on individual client situations. This may be more perceived than real in some instances. One example quoted by Case Managers was that clients may only have equipment paid for by the CCAC for two months. The policy on equipment, dated January 2004 reviewed by the Review Team included a list of exceptions when the two-month period could be exceeded. The policy states that exceptions must be approved by the Services Review Committee but no policy related to the membership or functioning of this Committee was located. For any service provided by the CCAC, a policy must include statements of when it is appropriate to

approve the service, when it is not appropriate to approve the service and the parameters under which a Case Manager may approve an exception.

Another example quoted was that a client may not have more than 15 hours of personal support service per week. The legislation (Regulation to the Long-Term Care Act – 386/99 s3) clearly describes the maximum amount of service in hours per month. The Personal Support Service Guidelines, July 2003, read by the Review Team include the monthly hours as well as the ability to increase hours in the first month. There are many client situations where extra hours may be needed some weeks and not others. To deny service based on a weekly limit would run counter to legislation.

Within the Personal Support Service Guidelines, two other references are of interest:

"CCAC service is not meant to 'top up' or replace similar services such as Attendant Care…"

However, Ministry policy does allow clients to receive a combination of CCAC Personal Support Services and Attendant Outreach Care services to a maximum of 180 hours per month.

"A person is not eligible to receive homemaking services if the person is a tenant in a care home within the meaning of the Tenant Protection Act…"

If this is a reference to a Retirement Home, Ministry policy is that individuals are eligible to receive these services as long as they are not paying the Home to provide them.

That Retirement Homes are to be accepted as a client's home in the community is clear in the CCAC's Q&As to the Nursing Guidelines. However, we would question why the requirement that advanced foot care be provided only when the client is "homebound" should have to be interpreted as "room-bound" in a Retirement Home.

Case Managers commented on the recent (May) implementation of the policy requiring the discharge of any client who spends more than 14 days in hospital. This policy is commonly referred to as the "on-hold" policy. The Ministry has been seeking to standardize this policy across the province since 1994. The timing of the decision by the OCCAC to implement the policy may be related to the Ministry's expectation that CCACs must be compliant with MIS guidelines as of April 1, 2003. The "on-hold" policy for OCCAC is part of the MIS Guidelines section. As a result of this policy, many Ottawa clients currently receiving services will go on a waiting list following discharge from hospital, because of the way the OCCAC assigns people to waiting lists. This population may need to be specifically addressed when discussing waiting list prioritization criteria.

The OCCAC review of shift nursing identified that shift nursing was being used in some situations for respite for caregivers. This was noted by the OCCAC as an inappropriate use of resources, but withdrawal of service will likely cause hardship as clients/families

are already receiving the maximum personal support hours.  The OCCAC should have a policy on the provision of respite care, and it should be consistent with provincial policy.

The Review Team did not review policies regarding placement.  The record review of the placement services indicated close adherence to Ministry legislation, regulations and policies.  However, the reviewers were told that for applicants to The Perley and Rideau Veterans' Health Centre, once the applicant is approved by Perley for admission, the OCCAC closes the file, and Perley manages the waiting list and makes the bed offer.  It was not clear why the OCCAC does not follow the usual process.  Perhaps this change in process relates to Veteran applicants only.  If so, the legislative basis for Perley to manage its various types of admissions should be recorded in policy.

The OCCAC has still to finalize agreements with some hospitals as to whose staff will complete the RAI-HC.  The agreements were to have been completed when the RAI-HC was first introduced.  The delay may be due to the OCCAC being a late "adopter" of the assessment tool.  However, the CCAC must meet the requirement to have the tool fully implemented by December of 2004.

Some examples indicate that the OCCAC is providing mental health services that are outside the CCAC mandate.  Mental health services seem to add up to significant costs for the OCCAC.  While it is tempting for a CCAC to try to meet community mental health needs, given the general shortage of resources for these services, the practice reduces the funds available for services within the CCAC mandate, and could mask the need for local services. (Note: under provincial policy, clients who fit within the regular CCAC mandate and *also* have mental health needs can be admitted to the program.  However, CCAC services are not intended for people whose needs are only of a mental health nature.)

The provision of service to private schools is through OCCAC service providers which is contrary to stated Ministry policy.  The reason behind OCCAC's approach was that it was the only way that private schools would agree to provide the services to their students.  In today's environment, it may not be advisable to change this approach.

**Recommendations 46:**

- Ensure accurate client service policies and procedures are posted in an easily accessible format on the Intranet and in Manuals.  All policies must be reflective of Ministry policy, should be in an identical format, dated and have the appropriate authorizing signature.
- Ensure full implementation of the RAI-HC assessment tool by December 2004 for all long-stay clients.
- Ensure that the OCCAC is providing services, in accordance with the provincial CCAC mandate, to clients with mental health problems and not providing mental health services.

- Ensure that staff understand the regulations that describe service maximums for homemaking and nursing, including the circumstances under which these maximums may be exceeded.

### i) Services

- **Intake**

All client calls where there is no assigned Case Manager come into the OCCAC through the Contact Centre for initial screening and assignment to a District Case Manager. Previous to June 7, 2004, the Contact Centre did not maintain a caseload.

Regular caseloads were restructured to support the client driven philosophy (detailed in section below) which envisions an established relationship between the client and the case manager. There is one group of clients where there may be no need for such a relationship – the acute client leaving hospital who will likely be discharged from service within 60 days. For many of these clients, services are arranged before they leave hospital and if they experience no complications, they will be discharged by the CCAC within 60 days.

The OCCAC decided that it would be appropriate to have this group of clients managed by the Case Manager in the Contact Centre. The caseload was created effective June 7, 2004.

CSR's do all screening of calls coming into the Contact Centre; the CSR records information gathered from the client into a computer file.

If the call is for Information and Referral, the CSR provides the response or refers to an Intake Case Manager if unsure.

If a client is requesting service, the CSR transfers the information to the Case Manager in Intake.

The referral to the Intake Case Manager goes through the ACD (Automatic Call Distribution) system which sorts calls by language and distributes the calls by volume among the Case Managers. Calls are referred to the Intake Case Manager for prioritization as to when a client should be seen; and when it is a complex case.

The Intake Case Manager does an interview on the phone to determine whether the client is eligible for service; whether a home visit is required; and to set the priority for when the client is to be seen. If the client is to be admitted immediately, the Intake Case Manager opens the file and orders the service.

The priority system used by OCCAC for seeing clients is as follows:

AA within 24 – 48 hours
A    4 – 5 days
B    7 – 10 days
C    10 – 15 days
D    15 – 20 days

The Intake Case Manager makes the referral to the District Case Manager.

The District Case Manager may call the client sooner than required and may adjust the priority for a home visit based on this phone call. Before the Contact Centre was created there was a benchmark requiring all Case Managers to contact new referrals within 48 hours, regardless of priority. Case Managers still try to meet this benchmark. The purpose of the call from the District Case Manager is to provide the client with a name to call if their situation changes and also to confirm to the client that they are "on the system".

Traditionally, District Case Managers (using this term to refer to Case Managers who do in-home assessments) received the following types of referrals:

Clients for whom no home visit will be required: There are two main groups -acute clients who are expected to be discharged within 60 days (effective June 7, 2004 these clients are to be grouped into a single caseload to be managed by Intake Case Managers), and Clients who are admitted for rehabilitation services only.

Clients who have been admitted for service (Intake Case Manager has authorized the provision of service) but require a home visit.

Clients referred by Intake where the District Case Manager will determine whether to admit for service. A home visit is required.

Clients referred by a hospital-based Case Manager (some of these clients would now be part of the "acute" caseload).

Sometimes, a District Case Manager, in the course of a home visit to one client, will identify another person in the home who also requires service.

With the opening of the satellite offices, occasionally District Case Managers are seeing new clients who walk in to these offices.

Occasionally, there will be a client in the Emergency Room who is not going to be admitted but whom the ER staff feel requires follow-up. They would notify the Hospital Case Manager who does an initial assessment. If appropriate, the client would be referred to a District Case Manager for a home visit.

Calls for assessment for an Adult Day Service usually come in through Intake. (Some may occur when a client who is already in receipt of service or on a Waiting List requests this assessment.) These calls go directly to the District Case Manager with a request for a home visit for the assessment. Information provided to the Review Team shows that many clients are already on a Waiting List for a program but are told they must come through the OCCAC for assessment.

There are two issues here:
- Ensuring a consistent eligibility criteria is used for all individuals seeking an Adult Day Service; and
- Ensuring admissions are on the basis of "most in need".

## Recommendations 47:

a) That OCCAC determine whether the District Case Manager is still required to contact a client within 48 hours, if the Intake Case Manager has already assigned priority for a home visit. There is potential for duplication of effort when both are using the same Determination of Need (DON) tool.
b) That OCCAC review the process for Adult Day Service admissions and management of waiting lists with the Ministry Regional Office, and with Day Program providers, to ensure that policy is being correctly interpreted, appropriately applied and that clients are being well served.

- **Prioritization**

The Board of the OCCAC has established the policy that nursing is a higher priority than personal care which in turn has a higher priority than homemaking. For therapies, the OCCAC allocates a percent of the budget for these services.

Prioritization is done by service, not by client. Many CCAC's do prioritization by client which means that once a client is admitted, they receive all the services that they require. Some CCAC's prioritize by service, not by client.

There is no priority assigned for nursing other than the timeframe for being seen by a District Case Manager.

The prioritization categories as established by the Determination of Need (DON) tool are "AA", "A", "B", "C", and "D". C and D are not used at present as they relate solely to homemaking, which is generally not being provided. The criteria used to determine priority are: the risk of delay, the predictability of the outcome and the impact of not responding.

The Therapy Transition Plan (which sets out how clients were to be transferred from one provider to another following the recent RFP results) contains the following text: "…Within each priority category, new and added service clients [clients for whom therapy will be a new service] will take priority over change of service clients [clients

who require an increase in the level of service]. This new process mirrors the process currently being used for the personal support service waiting list in terms of how clients are admitted and is based on discussions with the management team and an ethicist…". Square brackets are the writer's notes for clarity. While this approach has the advantage of providing service to more clients, rather than a higher intensity of service to existing clients, it could mean the difference between a client remaining at home and going into an institution.

Due to the interpretation of the policies, particularly regarding short-term provision of services, there may be inequities in the services clients with similar needs receive, depending on whether they are on a palliative or community caseload.

### Recommendation 48:

That the OCCAC document all aspects of the priority ranking method to be used, along with the supporting rationale. Hopefully, the work currently being done on client service priorities will address this important area.

### j) Waiting Lists / Wait Times

**Nursing**
There is no waiting list for nursing, except occasionally for shift nursing due to a shortage of nursing resources.

**Homemaking**
The Review Team has been told of three waiting lists for homemaking, plus one group who should be on a waiting list and is not. The three waiting lists are:

If a client receives personal support, the client automatically goes on a waiting list for homemaking but no priority is assigned and no assessment of needs is done. This has been referred to as the "virtual" waiting list, with approximately 4,500 clients.

Those clients who received homemaking prior to the cuts made in 2002.

After 2002, those clients who have been assessed as in need of personal care, but have refused personal care, and who have been assessed as needing homemaking.

There is also a group of clients who have been assessed as needing personal care, but have refused personal care from the OCCAC. They have been listed as "non-admits" (not admitted for services) and their need for homemaking has never been assessed. This would appear to be a misunderstanding of policy, as people who need personal care, even if they refuse it, are eligible for service.

Some Case Managers know about the first of these waiting lists, but overall have no idea how clients get on these lists or how they are monitored. Since the OCCAC stopped

offering homemaking, Case Managers are not assessing for homemaking unless there is an infestation or a threat of eviction.

Clients assessed as requiring homemaking only, would be a priority C or D.

**Personal Support**
There is a waiting list for Personal Support. At the time of this report, only AA priorities were being admitted for service. The last time an A was admitted was the end of April. The last time a B was admitted was in January.

Length of time on the waiting list is not a criteria used to increase a client's priority for service.

It is up to individual Case Managers to manage clients waiting for Personal Support. All ask clients to contact them if their situation changes. Most will initiate contact with any client who they feel is fragile or may be reluctant to call. No policies were located which outline waiting list management processes or responsibilities.

In external interviews, hospital social workers and clients raised concerns that the OCCAC did not seem to understand the value of support services in keeping people in their homes

**Therapy**
There is a waiting list for Therapy. At the time of this report, only AA priorities were being admitted for service.

There is an inequity in how clients on different waiting lists receive services. If waiting for Therapy, clients negotiate directly with the therapist. If waiting for Personal Support, clients are placed on a waiting list and will remain there unless the situation changes.

The OCCAC's policy entitled "Adult Program Determination of Need Guidelines", under Case Management – Therapies, states that "individuals with the highest priority (AA) will be accommodated without a waiting period" and "all individuals will have access to services, although waiting times will vary". The document "Adult Therapy Contract Synopsis", states that: "The therapy companies have been made aware of the waiting list timelines for the various priority ratings, i.e., AA, A, B, C, D".

Case Managers expressed frustration that they could not indicate to clients how long they might have to wait for Personal Support Services. The very term "waiting list" conveys an expectation that eventually one will get to the top and receive service.

Case Managers question the need for a full client assessment when it is evident early in the process that the client will be a low priority and therefore will likely never receive service. They feel that the assessment only raises expectations. This seems to be a reasonable position, and wastes case management time as well as that of the client.

**Recommendations 49:**

a) That the OCCAC review, validate and revise its waiting lists. While *The Long-Term Care Act* states that any client waiting for a service should be placed on a waiting list, three waiting lists in homemaking is unworkable, particularly as no management of the waiting lists occurs.
b) That case managers explain the waiting list situation to clients, provide clients with information on approximate waiting times, and provide explanations when waiting times for individual clients exceed benchmarks.

**Reassessment**

The OCCAC expectation for the timing of reassessments is every six months. In practice the frequency is once a year or longer.

The provincial requirement for reassessments for clients assessed with the RAI-HC tool is six months.

The last "blitz" of caseloads occurred in 2001, when every client who was receiving nursing services was reassessed.

In late 2002, all clients in receipt of Personal Support Services were reassessed. This was part of the initiative to drop all but essential homemaking services.

Reassessments for Palliative clients are done as necessary, according to need, as are Cancer Care clients.

In April 2004, all adult therapy clients were reassessed prior to the transition to a new provider. These reassessments were conducted by the contracted therapists, not the OCCAC Case Managers.

Caseloads appear to be of manageable sizes when compared with other CCACs, so it is possible that case managers are having to spend so much time doing things other than providing client services that they have not had time to do reassessments.

**Recommendation 50:**

That the OCCAC ensure that reassessments are done at least every six months. This may require a review of the demands on case managers' time.

**Therapy Services**

The provision of therapy services is distinct from the process followed for other services. The OCCAC Case Managers are responsible for doing the assessments, determining need and authorizing the type and volume of service for Nursing, and Personal Support. For therapy services, the assessment is conducted by the therapist who, as mentioned elsewhere in the report, are also in a position to negotiate with the client the volume and intensity of service to be provided.

One company provided adult therapy services (Occupational Therapy and Physiotherapy) to the OCCAC for the last four years. This company was unsuccessful in the recent RFP and all therapy clients had to be transferred to new service providers.
An interesting phenomenon was observed. Prior to the transfer, 1,700 clients were receiving therapy services. Of these, only 700 were assessed by the existing therapy provider to need services by the new providers.

It is also the Case Managers experience that some clients who were discharged are now back on the waiting list as they need more therapy.

External interviews indicated the transfer of clients from one service provider to another was poorly handled. The OCCAC was responsible for managing a smooth transfer.

## Recommendations 51:

a) That the OCCAC identify an expert resource among its staff to support Case Managers in the management of clients who require therapy services. If this expertise does not currently exist, consider hiring a therapist as a case manager.
b) That the OCCAC review the status of therapy clients discharged in March to determine how many need services to be resumed.

## k) Cost Containment

CCACs are required to operate within their approved budgets. The first year in which the OCCAC cut services to ensure a balanced budget was under the previous administration. At that time, reviewers were told, the OCCAC instituted an "across the board" cut to homemaking services. This was contrary to the recommendations of the Ministry, which encouraged CCACs to base changes to services to existing clients on individual assessments and prioritization of client needs for service.

The OCCAC has determined that nursing services have a higher priority than personal support which in turn is higher than homemaking. Therapy is treated separately by allocating a protected percentage of the budget for these services.

In 2002, the OCCAC essentially cut all homemaking services. A few exceptions were made and continue today - when there is an infestation in the home or when conditions in the home could lead to eviction. The rationale for the deletion of homemaking was that additional clients could be provided with personal support. OCCAC staff supported this rationale. Ministry policy is that the housekeeping component of homemaking can be provided when it is essential to the safety of the client. This does allow for some homemaking, and within broader criteria than the OCCAC is using.
In 2003-2004 waiting lists for personal support, and therapies, became common across the province. The OCCAC and many other CCACs use the Determination of Need (DON) tool to assess the priority of the client's need for services.

A DON is completed for each service required by the client. Priority rankings are AA, A and B.

All clients are ranked by priority whether they are:
- New to the OCCAC;
- Existing clients who require a new service; or
- Clients who require an increase to the amount of an existing service.

The OCCAC has stated that clients will be ranked in priority in the order listed above.

The OCCAC believes that the present demand for service outweighs the ability of the OCCAC to respond. A group of senior managers from client service, service providers, and finance staff meet weekly to review the projected budget for the week and decide the number of clients that can be admitted. This decision is communicated to the CSRs who select the appropriate files and advise the District Case Managers.

At present, only priority AA clients are being admitted for service.

While the frontline staff understood and supported the concept of replacing homemaking with personal care, they now look at the size of the waiting list for personal care and wonder what happened. Their removal from the decision making process leaves them without an understanding as to why there is a waiting list for personal support: an increase in the number of clients needing care; an increase in the level of service clients require, or an increase in the cost to provide the service. Without an understanding of the issue, it is difficult for Case Managers to be able to provide suggestions on how the backlog can be improved. It is also difficult for them to provide explanations to clients.

With all CCACs in the province feeling pressure to meet increased demand while keeping expenditures within budgets, there is a need to be more consistent in how services are delivered both among CCACs and within each CCAC. The Ontario Association is starting to provide comparative data that would allow CCACs to compare their service levels with other CCACs across the province. The OCCAC is using these reports to assess its service levels.

The OCCAC needs to review the services provided by different case managers to clients with the same or similar needs, both to ensure that the most appropriate type of service has been selected and to ensure that the volume of service is the same or, if different, can be supported.

The Review Team learned that the OCCAC is doing other service analyses to understand health care needs in Ottawa as well as health care needs of individuals coming to the OCCAC. For example, a study was to be conducted to profile patients attending the Emergency Room at the Queensway Carleton hospital.

In addition, to be useful, whether it is an internal review or an external analysis, these activities should be treated as formal studies and not of the types referred to in the 2004/2005 Business Plan.

When the Review Team obtained copies of these reports, they found the Nurse Practitioner Chart Audit to be in the form of informal notes with no clear findings or recommendations. Similar issues, but to a lesser extent, were found with the report on Placement.

The Review Team also heard that when the OCCAC was organized by specialty teams some work was done to review average service levels. Since the OCCAC reorganized geographically, this analysis is no longer performed.

During the staff interviews, reference was made to the OCCAC discharging clients when the client failed to meet the goals set out in the care plan. It is the Review Team's understanding that this referred to situations where the client or caregiver had agreed to carry out the service once they had received training from the contracted provider. Again, this decision should be reviewed to determine if it meets the Ministry requirement that any decision not to provide a service should be based on the results of an assessment of the client.

The OCCAC is concerned about a small group of clients who are receiving more than the legislated maximum amount of services. The largest number are clients with an acquired brain injury and the enhanced service provision dates back to the time these clients were repatriated by the Ministry to Ontario from various locations in the United States – 1996 and earlier. The next largest number are medically fragile children. While the OCCAC would be supported by legislation should it decide to reduce services to these groups, the reality is that the OCCACs withdrawal would leave the clients and families without service. There are currently no available alternative providers or funding. The OCCAC is not the only CCAC providing more than the legislated maximum amount of service to specific clients with high needs.

**Recommendations 52:**

Client service practice issues:
a) That the OCCAC continue to review provincial reports to identify areas where the Ottawa practice is not in line with the provincial average.
b) That the OCCAC review services to its clients with similar needs to try to identify best practices.
c) That all reviews/analyses conducted by the OCCAC include a formal document which can be shared with the Board, the Ministry and other CCACs.
d) That all decisions to reduce or discontinue services be based on individual client assessments, and be consistent with provincial policy.

**l) Best Practice**

Client Services staff described a number of initiatives intended to promote efficiency in the delivery of community services. They are:

- Chronic Care Wound Protocol/Leg Ulcer Protocol – describes the frequency of visits/ cost of supplies/level of nurses that promote the best outcome
- CHIP – Chemotherapy Home Infusion Program – Home Infusion has been determined to promote a better outcome than the equivalent hospital service.
- Different care paths related to specific diagnoses  – Diabetes care plan; Breast Cancer same day surgery; memory loss care plan
- Determination of Need (DON) Instrument – used to establish priority for service; this is an evidence based tool used in many areas and is based on the effect of treatment on the problem
- Guidelines for the use of personal support and nursing – to assist in choosing the most relevant service to meet the need
- Client driven care philosophy – this approach is evidence based (see detailed comments below)

The OCCAC will work, either internally or with partners, to identify the most effective treatment that can be provided within existing resources for a specific problem. The OCCAC seeks to identify local physicians to endorse the protocol - physicians who will be recognized as experts by their colleagues.  It is then communicated to family physicians that this will be the protocol the OCCAC will follow, regardless of the physician's order. The Medical Advisor for the OCCAC supports the protocol so can respond to any questions from physicians.

**m) Resource Allocation**

The way clients are admitted for service requires individual Case Managers to follow a precise directive; they feel removed from the decision-making process which affects the clients on their caseload.  This should change in the Fall of 2004 when the OCCAC implements a Resource Allocation model required by the Ministry.

Under this model, individual Case Managers will be responsible for the provision of services based on a specific budget allocation to the individual Case Manager or team. OCCAC has started a planning process to determine how the budget will be broken down among the specialty and community teams, and among Case Managers within teams. This work is being carried out by a Master's student who has already prepared two extensive documents: "How We Served in the Past – Population We Are Serving Now" and "Decision Support Tools for Resource Allocations".  In brief, the concept is to allocate resources based on the demographic profile of a geographic area, together with recognized health determinants for those demographics.

The concern of the Review Team is whether appropriate work has been done to review current business practices, to solicit input from front-line staff, to document the new

procedures, and to ensure that Case Managers have the skills and knowledge necessary to make the decisions they will be called upon to make.

**Recommendations 53:**

a) That the OCCAC ensure that its infrastructure and business practices are ready to support the Resource Allocation model;
b) That the OCCAC ensure implementation of the model within the timeframes set by the Ministry.

**n)** "**Client Driven Care Philosophy**"

In the client driven care philosophy, the client is an equal partner in decision-making around what services the client needs and how they might be provided. This is evidence-based method of carrying out case management, not a model of case management. The approach encourages the client to become conscious of what is happening to their health.

The approach fits with the Ministry direction that all clients are to be treated equitably and fairly and encouraged to participate in the assessment of their needs, and decisions about their services. Key to this approach is the nature of the relationship between the Case Manager and the client.

The advantage to the organization of this approach is that when fully implemented resources are more reflective of client need, and can be reduced based on client input. The Review Team was told that the available literature says that less resources are used with a client driven model.

This approach is currently in use in only two CCACs in the province – London and Ottawa. Both the Executive Director and one Director of Client Services in Ottawa came from London where the approach was first introduced. London took five years to complete implementation. Ottawa is currently in year two.

The OCCAC has restructured internally to provide an environment, which will support the client driven care philosophy.

This restructuring involved:

- Expectations that Case Managers will spend at least 70% of their time with clients;
- Transition from specialty teams to geographic teams so clients will have a single case manager;
- Move to satellite offices; and
- Creation of an "acute" caseload within the Contact Centre

The Directors and Managers within the organization were able to articulate clearly what the "client driven care" philosophy was, its impact on Case Managers and on clients, and its positive benefits for the organization.

Case Managers have received training on this approach but on a volunteer basis. Case Managers, however, indicated that the 'new' approach is not very different from what they have been doing. It requires a slight rephrasing when they present options to clients. They believe that they already put the client first. The Case Managers support any initiatives that will allow them to maximize opportunities for regular direct contact with clients.

The Case Managers find it difficult to reconcile enhanced client participation in goal setting with placing clients on a waiting list, knowing that they may never receive services. They ask how this reflects client driven care.

The OCCAC placed a heavy emphasis on being the first to implement a computerized case management information system, and frontline staff spent considerable time in training, for no purpose as the system is now on hold. They ask how this reflects client driven care.

The Review Team heard repeatedly that references to this approach and its implementation are linked to what is happening or has happened in London. Staff would like the focus to be on Ottawa and the environment here.

**Recommendation 54:**

That the energy in client services be focused on ensuring that the basic, and required, OCCAC services are well provided, before time is spent on optional new initiatives.

**o) Geographic vs. Specialty Teams**

The OCCAC felt that when the organization was organized by specialty teams (by medical diagnosis) that this was reflective of a medical model and services were provider-driven. By reorganizing into geographic teams, the focus returned to the client, their needs and preferences. It was felt that there would be long-term continuity between Case Manager and client.

While Senior Management indicated that within the geographic teams, there would be mental health specialists and cognitive health specialists, Case Managers spoke about the impact of not having this expertise available. While the Case Managers knew which of their colleagues came from specialist teams, they also know that these individuals were carrying a full caseload and so were reluctant to use them as an expert resource. Particular reference was made to the loss of expertise for dementia, mental health, acquired brain injury and adult populations with chronic conditions. They see the loss of these specialty teams as a loss of OCCAC knowledge and resource expertise and a decline in OCCAC-community partnerships and relationships. For example, the Review Team was told that when there was a dementia specialty team the Ottawa Geriatric Program used to receive 50% of referrals from the OCCAC and now receives only 11% from OCCAC.

OCCAC did retain two specialties – palliative and paediatric.  Case Managers believed that this occurred due to demands from the community.

While it is not clear that the reorganization to geographic teams necessitated multiple sites, the Case Managers support the concept of satellite offices and being more accessible to current and potential clients.  However, staff also are concerned that the opening of satellite offices may have diverted funding from client services.

**Recommendation 55:**

That the OCCAC determine a way to maintain specialist expertise within a geographically staffed organization.  Given the prevalence of dementia, cognitive health expertise in particular must be reinstated and readily available to all case managers.

**p) Face-to-Face Contact**

Previously, a frequency of assessment survey indicated that face-to-face visits between the Case Manager and the client were limited.  The strategy of the OCCAC has been to hire more Case Managers, restructure the role of team clerks, and provide enhanced technology in support of an expectation that Case Managers be out of the office 70% of the time.

Also supporting the need for Case Managers to function outside the office is the expectation that the RAI-HC assessment tool will be completed in a face-to-face visit with the client.  However, the support systems to enable the Case Managers to be out of the office have not materialized.  The implementation of the enhanced role for support staff is incomplete, as noted above.  Enhanced technology has not been made available and current technology is not operating efficiently.

In addition to responsibilities for their caseload, the Case Managers are assigned to Committees and Projects associated with changes in the organization.  These responsibilities require time away from client services

Also of note, in interviews with clients the review team was told that the most important thing to the client was that the case manager be easily accessible by telephone.

**Recommendation 56:**

That the OCCAC review the requirements for Case Managers to operate outside the office.  Ensure that the requirements are realistic given the state of support systems.

**q) Contract Management**

As the people who authorize and order services from the contracted providers, the Case Managers and CSR's are the first to hear of problems with service provision.  While Procurement and Contract Management of Services is addressed in a separate part of this

report, a few words are included here on the role of the Case Manager in contract management.

When there is a change of service provider, additional work is created for Case Managers and CSR's as they are key to successful client transfers.

When providers change there is a loss of knowledge which has built up over a period of years. Case Managers find themselves having to give direction to new providers about the full range of their responsibilities. For example, new therapists hired by the company that received a therapy contract did not realize that the assessment of equipment needs was the therapist's responsibility until the Case Manager raised the matter.

**Recommendation 57:**

That the OCCAC allow for additional time for case management when clients are transferring to new providers, and for new providers to become familiar with their work.

**r) Client Record Reviews**

The following are observations from the Client Records Review:

**Strengths of documentation include:**

- Client consent form to give permission to share information is usually in the record, always found in pediatrics and placement records, but was missing in four of the 11 out-of-area records reviewed;
- Strong and consistent documentation of Case Managers' signatures and dates;
- Strong and consistent evidence of service updates, e.g., increase in service, decrease in service;
- Strong documentation for Case Managers' authorization of medical supplies, equipment, drug card;
- Placement records were well documented and indicated full adherence to legislation, regulations and policies;
- Palliative records indicated ongoing assessments, reassessments and communication with client, family, service providers and other resources;
- Non-admit records were well documented with clear reasons why a person was initially assessed as not eligible, and the action taken; and
- Out-of-area assessments contained good information and were timely for the receiving CCAC.

**Weaknesses of documentation include:**

- Client consent section of the Communication Administration Form (CAF), which seems to function as a blended Intake and Initial Assessment form, is inconsistently completed and often blank. If the reason for the blanks is that the information

requested is not considered relevant most of the time, the form needs to be reviewed and revised for usefulness;

- Very hard to find evidence of authorization of initial service plan (Service Request Form);
- Reassessments were hard to locate (possibly information was buried in the Progress Notes);
- If the RAI-HC assessment was done it was not always possible to verify that the assessment was done face-to-face;
- There was no evidence of the service that was provided (This may be recorded in some other way such as within an administration function that audits service authorization against services provided/billed);
- Client Group categories did not always match MIS categories (reference - July 2002 memo to CCACs from Director, the Ministry's Community Programs Branch);
- There was no evidence that clients were provided with information on complaints/appeal options;
- There was no evidence that clients were given a copy of their service plan; and
- Progress notes were lengthy (possibly too lengthy) and some were far too clinical (e.g., written as if the Case Manager was providing direct clinical service), some too chatty and some too subjective (e.g., comments about family relationships)

Generally the files were in good shape. The overall impression is that it has been a long, long time since the OCCAC has taken a hard look at their file management and that their files have grown tremendously. Some of the weakness in the records may be a factor of the change from specialty to geographic teams, Case Managers with new caseloads, the new role of the Client Service Representatives (CSR's). There appear to be a lot of good processes used, but policies and procedures are in various places, and not always available, current or relevant. The processes that do occur are relevant to the client record, but are not documented in the individual client record, e.g., when CSR's give Case Managers a list of actions required such as to extend or stop services. The decision and results are not easily found in the record but are updated in OASIS (the service ordering system). The overview of the records indicate that decisions have been made and actions taken.

**<u>Recommendations 58</u>**:

Review client documentation process:
a) Make client consent a prominent document in the record;
b) Review documents used in client records to ensure that all documents are relevant and all information required; and
c) Create a model chart and have Case Managers and CSRs revise client charts to the new format when they enter new information.

**s) Effects of Change**

Many of the changes in the OCCAC are inter-related and impact on one another such that the success or failure in one project prevents or enhances the success of another project. In addition all these projects have required resources of time, money and training.

The inter-related projects include:
- Redistribution of caseloads and moving Case Managers from specialty teams to geographical teams;
- Opening of satellite offices;
- Implementation (unsuccessful to date) of the Integrated Care Management System;
- RAI-HC training and the new relationship with hospitals related to RAI-HC;
- Introduction of client driven care philosophy;
- New policies for service maximums and service priorities; and
- Decreased services and increased waiting lists and waiting time.

<u>**Recommendation 59:**</u>

Review current status of projects and develop priorities considering interdependency, e.g., Information technology system must be stable and supported before further office moves

**t) Create stability**

Train CSRs to the level of expected competency for the role and communicate the expectations of the enhanced role to Case Managers

Do not open any more satellites until RAI-HC is fully implemented and Case Managers have developed a high level of competence.

Focus on creating the supports that will enable the Case Managers to visit clients more often (4-5 home visits a week is a low expectation).

# PART VI

# FINANCIAL REVIEW

**Review Process**

- Reviewed relevant accounting documents, procedure manuals and directives
- Reviewed OCCAC budget, reports, supporting documentation and working papers
- Reviewed budget submissions from a small peer group of CCACs
- Conducted interviews with OCCAC managers

**Standards Applied**

Memorandum of Understanding (MOU) in particular sections:

       2.1.3 Management principles

       4.3.1(a) legislation; adherence to Government directions and guidelines

       4.3.1(l) operating within approved funding

       4.5.1(g) preparation of annual reports and plans

       4.5.1(j) public funds used with integrity

       6.1 CCAC Funding

       6.3 Acquisition of Goods and Services and Real Property

       7.0 Reporting Requirements

MOHLTC Funding Policy (September 2003)

MIS Reporting Guidelines


The Ottawa CCAC has an annual operating budget of approximately $78.5 Million (2003/04 Approved Operating Budget). Of this amount $57.5 M, or 72%, is spent on purchased client services and client supplies and equipment. The remaining 28% is made up of salaries and benefits for staff and other operating expenses (occupancy costs, office supplies and equipment, staff travel, etc.)The Ministry of Health and Long-Term Care provides virtually all funding.

In the past three years the OCCAC has received $2.8M in new funding (3.7%). As with all CCACs in the province, the last three years have seen substantial rate increases from

client service providers as well as significant increases in costs for client supplies and equipment.

The average rates for Homemaking services have increased by 31.7% during this period. Nursing rates have increased an average of 35.2%, and Therapy rates have shown similar substantial rate increases.

The cost of staff salaries and other operating costs have increased approximately 24% during this period.

In order to stay within allocated funding OCCAC has had to reduce its total cost and the total number of service units purchased. During this three year period for example, Homemaking hours have decreased 35%, Nursing units of service have decreased 17% and Therapy units are down 47%.

In the past three years the OCCAC has spent $3.6M on one-time expenditures and generated surplus funds refundable to the Ministry of approximately $1.9M.

The adjustment to services to match funding and balance budgets is a challenge for most CCACs. Over the past three years, the announcement of new funding came well into the fiscal year. There have also been messages from the Ministry not to make dramatic service adjustments until new fiscal funding amounts have been made known.

This leaves CCACs in the unfortunate position of having to make large adjustments in service over the remaining few months of the fiscal in order to end the fiscal year in a balanced budget situation.

If new funding exceeds existing spending levels CCACs have to quickly expand service. Where new funding is less than needed to meet existing service levels, service reductions are required. Thus, CCACs may have to rapidly expand services for a few months, and then reduce service to levels that are sustainable the following year.

**2002/03 Fiscal Year Funding and Financial Outcomes**

The OCCAC did experience cost pressures during the past three years, which significantly exceeded new funding. In fiscal 2001/02, the OCCAC received only a minor funding adjustment of $50,000, which was designated for the Emergency Rooms/Discharge Planner project. By 2002/03, costs significantly exceeded funding.

The OCCAC has made reference to a "10 million dollar deficit" in the spring of 2002. There was not a deficit, but might have been if (as noted in the OCCAC 2002/03 budget) certain projected rates for purchased services, and certain growth trends materialized.  If these scenarios had occurred without cost controls, a significant deficit (in the order of $10M) would have been possible. At no time in its history has the OCCAC experienced anything close to that level of deficit. Personal Support service levels have been decreasing since early 2001/02 in order to match available funding and meet the pressures of increased service rates. As a result of direction from the Board during the

2002/03-budget preparation, a further dramatic decrease to Personal Support occurred from June 2003 through to September 2003 with some recovery of services in the 3rd and 4th quarters. Although not nearly as dramatic, there is a noticeable decrease in the levels of nursing in 2002/03 as well. This is captured in the Service Utilization charts for Nursing and Homemaking in the charts below.



**Personal Support & Nursing Volume vs Total Budget**
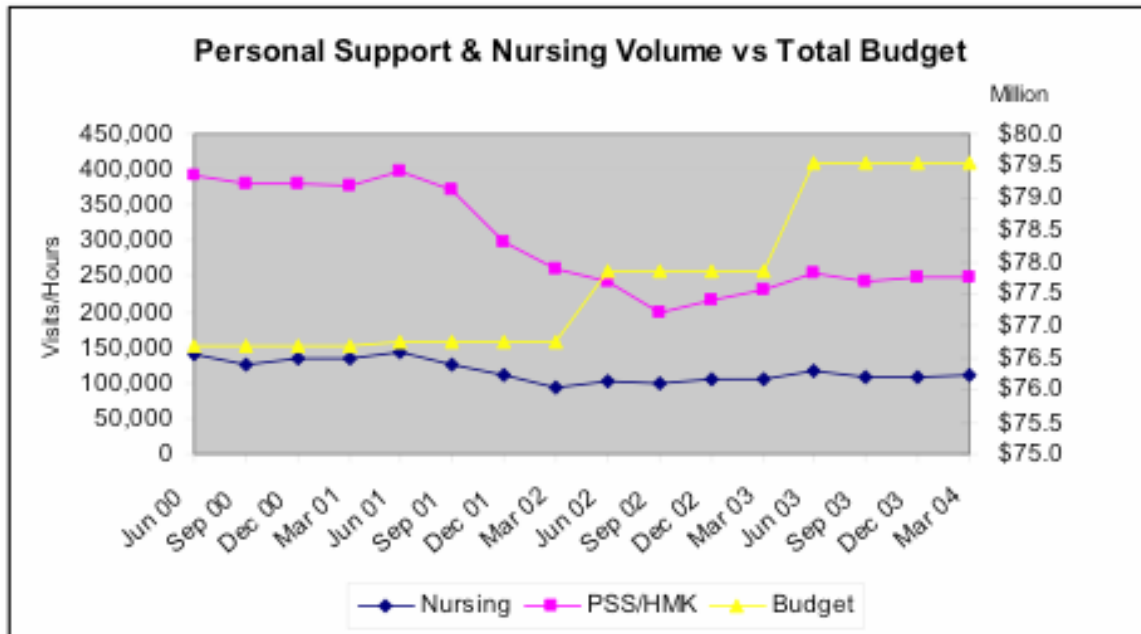
The OCCAC received a funding increase of $1.2M in September 2002. There were one-time expenditures of approximately $3.5M incurred primarily over the remainder of the fiscal year. By March 2003 the OCCAC was projecting a considerable operating surplus for the fiscal year. In February 2003 OCCAC requested and received approval from the Ministry to carry forward surplus funding from the 2002/03 fiscal year in the amount of $ 2.3M  (for ICMS and Supportive Care projects). This left an amount recoverable by the Ministry of $653,400 for 2002/03. In total, over $6M in funding was diverted from operating funds in 2002/03 to support one-time expenditures, carry-over funds and reimbursements to the Ministry.

The OCCAC has been skillful in forecasting, monitoring and managing service costs. This creates the impression that there was a decision to hold client services at a lower than necessary level in order to accommodate one-time administrative costs. The decisions regarding some of the one-time expenditures and the plan to purchase new case management software were made early enough in the fiscal year that it seems that choices might have been made to support these expenditures rather than increase client service.

**Comparisons with Peer Group**

The OCCAC budget and resource allocation was compared to a group of similar CCACs. This "peer" grouping has been used by the Ministry in the past to provide a meaningful comparison of CCACs to others with similar attributes. Size of budget, population density, availability of other health care resources are some of the factors used in establishing the peer groupings. Due to the timing of the review, all data was drawn from the 2004/05 Budget submissions to the Ministry. At the time of writing this report the budgets were generally not yet approved.

The peer group ranges in budget size from $48M to $79M with Ottawa being the largest. The next closest in size is Peel CCAC at about $72M.

Total Case Management salaries and benefits plus other direct service costs account for 19.5% of Ottawa's budget as compared to 20.9% on average in the rest of the peer group.

Purchased service costs total 71.1% of Ottawa's budget and 70.4% of the peer groups' budgets.

Net Administration costs (after recoveries) for Ottawa are 9.4% while the peer group has an average of 7.8% for these costs. (Note: there is some discrepancy in the calculation of Administration costs between the Ministry reporting format and that generally used by the OCCAC. This will be commented on elsewhere in the report.)

**A. Financial Management Controls and Practices**

**i) Internal Control**

In the past two years the external auditor of the OCCAC has stated in the management letter to the Board that they did not encounter any significant matters except for the verification of the hours billed and paid. In the management letter dated May 22, 2003, the external auditor stated: " no verification system is in place at the present time that provides assurance that the hours ordered and billed by the suppliers are actually being provided to the patient. While we recognize that other processes are in place to identify billing discrepancies such as communication between the client and the case manager, reinstating a more formal approach would provide further assurances in this regard". This would entail reinstating the visits that the OCCAC made to the major suppliers on a random basis, and evaluating their information gathering procedures (i.e., timesheets, mileage logs, etc.)

Three years ago the OCCAC did on-site verifications of the payments made to the providers, however in recent years due to other priorities, these verifications were not made.

As the payments to the service providers are the largest portion of the OCCAC's costs, it is important that this verification be done to ensure that the information the OCCAC is receiving is accurate and can be relied upon.

**Recommendation 60:**

That the verification process for service provider billings be reinstated to ensure that information received by the OCCAC is accurate and reliable.

**ii) Budget Process**

The 2003/04 and 2004/05 Business Plans and Budgets as submitted to the Ministry were reviewed by the review team. This period coincides with the introduction by the Ministry of a new budget and business plan format. As noted in the Financial Overview section, this period saw purchased service rates rising well above funding increases. Therefore there were significant challenges to the organization to develop meaningful, balanced budgets in accordance with Ministry policy

In both years the Board of Directors directed staff to develop a balanced budget

The budget process involved consultation with Directors and Managers and included examining several possible scenarios.

Prior years' data were examined and projected using current and projected service rates.

The budgets were completed using the approved Ministry formats and were presented to the Board through the Finance Committee.

While ministry staff indicated that there were some initial difficulties in approving the 2003/04 Business Plan as submitted, the business plan was eventually resubmitted and approved by the Ministry.

The 2003/04 budget was consistent with previous years and met Ministry expectations. The 2004/05 Business Plan and Budget had not yet been approved by the Ministry, at the time of this review.

The finance review team does not support the method of reporting the lease penalty costs in the 2004/2005 OCCAC budget. This item is discussed in the Accommodation section.

**iii) Monitoring**

One of the key tools used by the OCCAC to monitor its financial situation is the Finance Committee Monthly Operating Statement. The Monthly Operating Statements and all of the relevant working papers for selected months were reviewed. Finance staff provided additional background commentary.

The Monthly Operating Statement is a detailed analysis of the actual and budget service levels and expenditures by month.

This report provides year-to-date expenditures, forecasts to year-end, budget and previous year expenditures by key service, and administration expenditure categories.

The report also provides actual year-to-date units of service, utilization rates and costs for the core services as well as budgeted units of service by month.

Administration costs are projected to year-end using a straight-line method, while the purchased services are projected with consideration of recent and historical trends.

Actual and forecast information is provided regularly to the Board of Directors through the Finance Committee.

The reports and the process involved appeared to be comprehensive and accurate and would provide a reasonable tool for senior management and the Board to make sound decisions regarding the finances of the OCCAC.

**iv) Resource Management**

Management staff in Finance and Client Services meet regularly to review current forecasts and determine availability of client service dollars.

The OCCAC utilizes a number of comprehensive client services reports to analyze the client services data. Service utilization, average cost of service, and cost per client for each service type, are reviewed by finance and client services staff.

The waiting list for Personal Support Services (PSS) is managed by comparing available service dollars to the average cost of PSS per client. Clients are then admitted from the waiting list in accordance with the available dollars.

**B. Reports to the Ministry**

The Monthly and Quarterly Reports to the Ministry were completed for each of the periods in 2003/04 as required by Ministry policy.

Information reported in the Monthly and Quarterly Reports appeared to be consistent with the Ministry requirements.

**Reporting and Transparency**

The reporting of information and data can be complex at times and due to the myriad of reports that an organization like this produces there is the possibility that information can at times be misinterpreted. In addition, the same information is often reported in different formats or with timing differences. The MOU requires the CCAC to conduct itself according to principles which include "… openness and transparency".

**Reporting Administrative Costs:**

The Ottawa CCAC is not using a comparative basis of accounting when reporting the ratio, "percentage of administration costs to total expenditures" in its public announcements. The OCCAC fact sheet reported the ratios described in the table below.

| Per OCCAC Facts Sheet | Was 11% | Now 8.0% | Future 7.0% |
|---|---|---|---|

While the ratio representing level of admin costs when the new Board assumed control, 11%, includes one-time costs, the ratios representing the current status, 8%, and the future status 7%, do not include one-time costs. One-time costs, when administrative in nature such as the cost of accommodation or the costs of management information systems, should be included as part of administration costs. This one-time funding was drawn from the total funding available to the OCCAC, thus, one-time expenditures reduce the funding available for client care.

Secondly, the decline in administrative costs (as percentage of the total budget) cited by the OCCAC includes about $1.5M reduction related to the transfer of the cost of client services staff to the client care portion of the budget for in 2003/04. In 2002/03 these costs had been reported as part of administration.

The OCCAC rationale for excluding one-time costs when calculating the benchmark ratio was to focus the reader on the annual or on-going OCCAC position. For full details on adjustments made to calculate the percentages in the table below, see the Appendix: "History of Administrative Costs". *The table reports on a comparative basis* the annual administrative costs of the OCCAC after excluding one-time costs, and adjusting 2001/02 and 2002/03 to reflect the staff costs transferred to client care. The table indicates that the OCCAC annual admin costs (as % of total expenses) have remained relatively stable during the four-year period 2001/02 – 2004/05: average of 7.8%.

| **Annual Administration Costs as Percentage of Approved Provincial Subsidy** | | | | |
|---|---|---|---|---|
| | **2001/02** | **2002/03** | **2003/04** | **2004/05** |
| Budget | 7.4% | 8.6% | 7.4% | 7.7% |
| Actual | 7.3% | 8.5% | 7.5% | N/A |

While the OCCAC has not made the 3% reduction cited in it's Fact sheet, it has taken steps to keep administration costs stable. See the Appendices for details on $1M cost pressures (higher annual occupancy costs, long-term disability premiums, and the phase-out of pension contribution holiday) that occurred during this period.

The table below calculates administration costs as percentage of total expenditure, including one-time costs, adjusting 2001/02 and 2002/03 to reflect the staff costs transferred to client care, and 2004/05 to include 100% of the proposed lease penalty surrender costs. This benchmark is important because it shows the <u>full</u> administrative funding requirement.

The benchmark ratios including one-time costs indicate that funding devoted to administrative costs in 2002/03 and 2003/04 is significantly higher than the "now" 8% reported in the OCCAC Fact Sheet.  The average benchmark based on the 2002/03 – 2004/05 Budget is 9.4%, while the average benchmark for 2002/03 and 2003/04 actual is 11.6%.

| Administration Costs (with one-time) as Percentage of Total Expenditures | | | | |
| --- | --- | --- | --- | --- |
| | **2001/02** | **2002/03** | **2003/04** | **2004/05** |
| Budget | 7.5% | 8.6% | 9.1% | 10.5% |
| Actual | 9.4% | 13.2% | 10.5% | N/A |

The next table compares the OCCAC 2004/05 annual administrative costs as percentage of total budget to the median for the five urban based CCACs.  The OCCAC ratio, with one-time costs, exceeds the peer group median. Note that the peer group ratios may include one-time costs in their ratios.  The OCCAC benchmark ratio <u>without one-time</u> costs falls about 0.8% below the peer group median.

The OCCAC reports PC information systems costs as part of client care, and has done this consistently when reporting to the OCCAC Board. Under provincial M.I.S. reporting requirements these costs are to be reported as part of "administration". Finance reviewers have included on-going PC info system costs in OCCAC administration for the purpose of the ratio comparison to the urban-based CCAC peer group.  The result is as follows:

| Administration Costs (with one-time) as Percentage of Total Expenditures | | | | |
| --- | --- | --- | --- | --- |
| | **OCCAC** | **Median** | **Low** | **High** |
| Budget 2004/05 | 11.3% | 8.7% | 7.2% | 10.6% |
| Without One-time | 7.9% | N/A | N/A | N/A |

## C. Fixed Assets

One of the control aspects in any organization is the safeguarding of assets.   This includes the maintaining of a fixed assets register, ensuring that the fixed assets are secured and doing a physical count on a periodic basis.

The OCCAC maintains a fixed assets register for furniture, equipment, and computers, however, the OCCAC does not perform a physical count of the fixed assets on a periodic basis.  This will be especially important now that fixed assets will be located in different areas.

During our review it was noted that there is no formal policy on the disposal of fixed assets or the recording of proceeds from such disposal.

## Recommendation 61:

That the OCCAC periodically conduct a physical count of the fixed assets and reconcile it to the ledger maintained; and that the OCCAC develop a policy to outline the responsibilities surrounding the disposal of assets including how the revenue will be treated.

## D. Consultants Contracts

The MOU between the MOHLTC and the OCCAC states that "the CCAC and the Board are responsible for developing rules for the CCAC regarding the acquisition and disposal of goods and services and real property, which rules are to be in accordance with the principles of the Management Board of Cabinet's Directives concerning the acquisition of goods and services and real property. The CCAC shall act in accordance with these rules and in the spirit that reflects the basic principles on which those Directives are based". The Management Board Directive on Consulting Services does outline in its principles section that consulting services shall be acquired competitively to meet specified needs with the objective of obtaining the best value for the funds to be expended; conflicts of interest shall be avoided in acquiring consulting services and in resulting contracts, vendors shall not be permitted to gain a monopoly for a particular kind of work and relationships shall not be created which result in continuous reliance on a particular vendor.

**The OCCAC has developed its own purchasing guidelines as follows:**

- Under $5,000 managers authorize the purchase order;
- Between $5,001 and $20,000 the Directors authorize, and three written quotes are obtained. Appropriate backup documentation to accompany the purchase order is required;
- Over $20,000 and under $50,000 the Executive Director authorizes, written quotes are obtained and if the purchase is "sole-sourced", justification must accompany the backup documentation; and
- Over $50,000 there is a need for the purchase to be tendered.

The OCCAC does have a process for hiring consultants who are "sole-sourced", that is, those services which can only be provided by one consultant due to her/his knowledge of the subject or organization. The process includes the completion of the "sole-source" form where justification for the purchase is noted.

The OCCAC has in the past two years used a considerable number of consultants. Consultant services have been purchased for training, change management and streamlining the business processes.

During our review of the contracts it was noted that a number of contracts were "sole-sourced" and not all these contracts were accompanied by the appropriate completed form. Also in some instances we could not tell if the required three quotes were obtained for other contracts. In reviewing some of supporting documentation we noted that staff were not clear on the sole source guidelines.

One sole-sourced contract and its renewals (for the IT consultant) have amounted to more than $400,000.

**Recommendation 62:**

Use of consultants:
a) That the OCCAC depend less on outside consultants;
b) That the OCCAC ensure that the policy regarding purchases, especially the hiring of consultants, is communicated to all staff; and that the understanding of the policy is assessed and reinforced on a periodic basis;
c) That, where three quotes are being provided, the information be documented and copies of the quotes along with the supporting documentation and contract be forwarded to the finance unit;
d) That the "sole source" form be completed and given to the finance unit, along with the contract, if sole-sourcing is required due to circumstances where only one person or company can provide the service. The OCCAC needs to objectively review the requests for contracts to provide reasonable assurance that there is no continuous reliance on a particular individual or company.

**E. Payments to Service Providers for "Connectivity"**

One of the underlining principles of accountability is that funds are managed wisely and prudently.

In the fiscal year 2002/2003 the OCCAC paid $20,000 each to 13 service providers for connectivity costs. The accompanying letter dated March 26, 2003, stated that the one-time funds were being flowed to the service providers so as to support the rollout of the new vision of the OCCAC. The letter also stated that, to ensure full accountability for the funds, the OCCAC would forward a survey/questionnaire in 2003/04 to enable reporting on all related expenditures.

The above funds were forwarded in anticipation of the Integrated Care Management System being implemented in the winter of 2003. As this system has not been implemented as of the date of this review due to software issues, it seems that the funds were flowed prematurely to the service providers. During our discussions with senior staff, it was noted that there was also no reporting from the service providers on how the $260,000 was used to improve connectivity with the partners.

**Recommendation 63:**

That the CCAC ask those service providers who received the funds to report on how the funds were used for connectivity.  For those that have not spent the funds on such activities, that the funds be returned to the OCCAC.  Once the care management system has been fully implemented and the connectivity is required, the funds may be redirected to the service providers, if there is Ministry approval.

**F) Integrated Care Management System (ICMS)**

In late 2002 the OCCAC embarked on a major project to implement a new case management system. As required in the Review Terms of Reference, the review team reviewed the planning and progress of the implementation of this project.

**i) Review Process**

Reviewed background information provided by the OCCAC, and by the Ministry East Region Ottawa Office.

Reviewed the direction in PriceWaterHouseCoopers Baseline Report August 2002.

Interviewed appropriate OCCAC staff responsible for Information Technology (IT) and Information Systems (IS). Received verbal information and notes from other Review Team members based on case management staff and director interviews. Interviewed external consultant retained to lead project.

Reviewed all relevant project documentation including project meeting Minutes; communications to Board, staff and other stakeholders, contracts, etc.

**ii) Standards Applied**

The project was assessed to determine if it met the principles of the Management Board of Cabinet's Directives concerning the acquisition of goods and services and real property; awarding of consulting contracts

We evaluated the associated Business Case against the Human Services & IT Cluster Business Case Writing Guide

The project was measured against IT Project Management Procedures

We reviewed the Memorandum of Understanding (MOU) in particular section 6.3, Acquisition of Goods and Services and Real Property, and section 4.5.1(j), public funds used with integrity

The review team did not undertake an evaluation of the specific decision made to purchase this particular ICMS software, but rather has commented on the process by which the decision was made.

**iii) Observations**

 **Sequence of Events**

In brief, the OCCAC like most CCACs has worked from a primarily paper-based system of assessing and evaluating client needs for home care services. Prior to 2003, several different paper forms were used in gathering client information and these forms were then used to enter some basic personal and medical data into a software application that was used to order services from providers under contract with the OCCAC. The system used by OCCAC is called OASIS. In 2003 the Ministry began the first phase of its approach to upgrade case management systems software with the introduction of the RAI-HC. The RAI tool is designed to provide a computerized common protocol for assessing clients' home care needs and is being phased into CCACs across the province. The original OASIS system used by OCCAC does not provide the level of functionality generally accepted as a minimum for effective case management in today's environment. It was initially designed to facilitate the extensive service ordering and invoice matching that is required of the CCACs, given the large numbers of clients and transactions processed each month.

At a Board meeting on October 30, 2002, the Board directed staff to retain a consultant to provide support for the acquisition of a new case management system by March 31, 2003.

From the outset it is clear that the direction was to purchase a new "off the shelf" software package which would position OCCAC as a leader in developing a new case management model.

Although it was acknowledged that the Ministry, and the Ontario Association of CCACs through the C3 Initiative, would be pursuing a new case management information system solution for all 42 CCACs, staff mentioned that the OCCAC wanted to be seen as an "early adopter", "leading the way" etc.

By October the OCCAC was aware that there would be a surplus of funding in the 2002/03 fiscal year as a result of cuts to client service levels and new funds announced within the year. This surplus funding could be used for a new case management system if the software could be purchased before the end of the fiscal year.

Reference was made to the PWC Baseline Report supporting this initiative, however, this report does not suggest a new software application. The report does recommend "Enhance the clinical information system (OASIS) so that Case Managers can enter all necessary data on the system….".  Clearly PWC saw the need to improve workflow, decrease the number of forms in use and make use of existing technology to generally improve the efficiency of recording processes. They did not recommend purchase of a new case management system in advance of the rollout of a new provincial system. There is no indication that the existing system was in any way unable to perform the basic functions for which it was designed – service ordering and billing reconciliation.

Staff raised the possibility of modifying the existing system but there was a position at the Board level that "anything from the past is questionable". The position was that the OCCAC was "in crisis" and drastic action had to be taken. Staff felt that there was no room for discussion on any of these issues – it was "get on board or get out of the way".

Senior staff raised concerns with the Chair about proceeding to "single source" the IT consulting contract which, given the amount involved, was a clear breach of Management Board Secretariat Directives. In addition, staff noted that Ministry of Health approval would be required to purchase IT systems of this size and nature. Direction was provided by the Chair to proceed in spite of these concerns.

In November 2002, a short list of potential consultants who had some experience with the OCCAC was prepared by staff and a decision was made and supported by the Board to retain an IT consultant to provide support for this project at an initial contract price of just under $100,000. The contract refers to the ICMS as a "software selection project". This contract was awarded without due competitive process. It appears the sole justification for not complying with the Management Board Secretariat Directives and good business practice in general was to meet a short Board timeframe that was characterized by some staff as "reckless".

The next task to be dealt with by the ICMS project was the preparation of a business case to justify the expenditure of funds on the new case management system.  At the December 2002 Board meeting a presentation on the ICMS project was made.

The presentation included four options to deal with improvements to the case management system and client services workflow:

- Purchase an "off the shelf" replacement for OASIS
- Modify OASIS to provide additional functionality
- Develop a new case management system in house
- Do nothing until the new provincial system became available

At the January 2003 Board meeting another presentation on the ICMS was made.  It was described as a business case for the purchase of an "off the shelf" replacement for OASIS. None of the other options was mentioned and staff indicated that there never was serious consideration of any of the other options.

The document purporting to be a business case to procure what ultimately would be a $2Million plus system is woefully inadequate by any standard. It is merely a high level document that attempts to justify a decision that had obviously been made several months before – to purchase a new software application.

The January 29th Board meeting resulted in direction to the staff to proceed with an RFP to purchase a new "off the shelf" software package.

On February 3rd the Chair wrote to the previous Minister for support of the ICMS project.

On February 12[th,] the Ministry Regional office approved the carry over of surplus funds, up to $2.2M, to purchase a new ICMS software system. The funding was to be spent by March 31, 2004.

On February 12th an RFP was issued for the new ICMS software.

While awaiting approvals, a user requirement's document was prepared identifying the minimum requirements of the new system. A key function of the existing OASIS system is the ordering and invoice payment for purchased client services. In excess of $50M each year is expended for approximately one and a half million service units.  Although this functionality was identified in the user requirement's document it was not identified as a core component in the RFP document. The function was described as to be "available 2003". The rationale provided for this apparent inconsistency was that staff had done preliminary reviews of some available software and felt that software fell into two main groups. The first provided functionality primarily to deal with traditional service ordering/ billing but was not highly developed in the case management functions. The second group tended to the opposite – strong client /case management functions but with limited billing capability.

It was this decision not to include the ordering/billing component of the software as a core part of the system functionality that would ultimately prove to be the major impediment to implementing the purchased system.

From the close of the RFP, the evaluation team had approximately one month to complete the task of evaluating seven responses. The process involved formal evaluation of the RFPs, vendor scenario demonstrations and site visits to Toronto and Vancouver. The evaluation team recommended the selection of software called PARIS from In4tek from the U.K. It was selected and approved by the board on March 26th and a contract was signed with In4tek on March 31st, 2003.

Although the direction given by the Board at the January 29th meeting was to proceed with purchasing an "off the shelf" solution, the selected software could not reasonably be described as off the shelf. A major, necessary element of the OCCAC business was not available in the current version of the software, and there is no evidence to suggest that the financial module, which would contain the service ordering/ billing functions, was under serious development at the time of purchase. While there is no doubt the supplier could see significant advantage to adding this functionality in order to secure this and other possible future sales, this would in fact be a major product development activity for this vendor.

In light of the fact that no product was identified that would support the full range of business needs of the OCCAC, it does not appear that either the staff or Board entertained the possibility of revisiting the earlier Board direction or of re-evaluating the other options. No evaluation of the risk involved in undertaking a project of this nature, throughout a period of significant software development, was undertaken.
Another option would have been to engage the Ministry or the C3 project to provide assistance in managing this undertaking.  Proceeding with the purchase of software in

light of these shortcomings would suggest that the goal was related more to positioning the OCCAC as a leader among provincial CCACs than actual business improvement for this organization. Clearly the single mindedness with which this project was pursued would cause even more problems for staff, and expense for the organization in the months ahead.

On May 30[th,] 2003, a "Project Kickoff Document" was signed which outlined the timeframes for the delivery and implementation of the new software. The original intent was to have the software completely implemented, including the new financial module, in early 2004. This would meet the Ministry requirement to complete the expenditure by March 31, 2004. A great deal of effort went into re-evaluating and redesigning many of the existing business processes. A complete forms review and re-design was undertaken by staff with the aid of outside resources. The planning for implementation was carried out, including training, testing and communications. Staff and the Project Consultant worked very hard on the project management from the spring of 2003.

The IT consultant contract appears to have been renewed again without a competitive process and without a formal renewal of the contract or the terms of reference.
It is understood that the terms of reference include leading the implementation phase of the project. Hours are billed at the same rate as the original contract.

Originally the arrangements with the vendor seemed to go fairly well. This included bi-weekly meeting by teleconference on the status of various elements of the new software module, software delivery and implementation. However by early September the project team began to have serious concerns about the ability of the vendor to deliver the product on time. Concerns centered on the delivery of the financial module. Interestingly, although the project lead and staff appear to have had increasingly higher levels of concern throughout the fall and into early 2004, the Board Minutes always present a more optimistic position on the status of the project than do the actual project Minutes.

By January the "go live" dates were pushed back to March and the implementation plan was altered to a "phased implementation". In fact, testing had not been completed and the final versions of the software had still not been delivered. An option was explored which would allow implementation of the case management module while continuing to use the OASIS system to do the service ordering and billing, but ultimately that was found to be not workable.

During early 2004 staff put a great deal of effort into training and testing the software, in spite of the lack of a finished product to work with. There were many instances of training with an unstable product but staff appear to have given it their very best effort.

Around the end of April, 2004, senior management and the project lead reached the conclusion that the software could not be fully implemented before the summer and a decision was made to put further implementation on hold.
Some case managers are apparently using some parts of the software – it is currently deemed to be "optional" for case manager use, and requires duplicate entries.

User acceptance testing has not begun and will not be completed now before the fall of 2004 with implementation now projected for early 2005.

In spite of the fact that the software is not ready for implementation, the Board and senior management continue to paint an optimistic picture of this acquisition. At the initial meeting with this review team in May, the ICMS project was described as "being phased in" although there is as yet no evidence that it can meet the full functional requirements of the organization, or meet the specifications outlined in the contract.

## iv) Analysis

The requirement to follow a competitive process for large consulting contracts is clearly spelled out in the MOU and guidelines are readily available from the Ministry or through the Management Board Secretariat. These rules are not optional and are established to ensure that all public funds are expended with the highest regard for value, fairness to vendors and suppliers, and openness and transparency. The OCCAC knew that the awarding of the IT Consultant contract in November 2002 did not meet these requirements. The sole justification for not following approved process was "there wasn't time". In the opinion of the review team, that was not a sufficient rationale for avoiding the competitive process. The OCCAC made no attempt to engage the ministry through its Regional office for support in this decision.

The scenario that the OCCAC was in crisis and a new system was required for the safe and effective operation of the organization is not supported by the evidence. In addition, further renewals of the IT consultant contract have pushed the cost of that contract to over $400,000.

It is a very challenging task to find the right balance between moving forward with new and innovative ideas while taking on some manageable risk, and avoiding doing anything because of inertia or the risk of failure. Where organizations choose to move forward in areas outside their domain of expertise and experience they must be prudent and engage the services of all available assistance. Individual CCACs would not normally be expected to have the expertise to take on the task of a software acquisition of this magnitude. On the other hand the Ministry and its supporting partners have extensive experience in all kinds of software acquisition – from off the shelf purchased solutions, to third party developed software, to in house projects. Although the OCCAC made no attempt to hide what they were doing, by the same token they did not engage the Ministry, C3 or any other available public sector resources to provide expertise in areas that they clearly lacked. Rather, they chose to hire an independent consultant, using OCCAC operating funds which otherwise could have been available for client services.

A key requirement of all public sector organizations is openness and transparency, and the MOU requires the CCAC to conduct itself according to these principles. This project, however well intentioned, did not always demonstrate openness and transparency. Several examples can be found where the process was less than open. The awarding of the IT Consulting contract, the presentation of "options to improve" a business process, the citing of the PWC report as supporting a new software system, and the Board's less

than accurate appraisal of the present status of the ICMS are a few examples where openness was questionable.

To date in excess of $1.7 Million has been spent on the ICMS project. The status of the project is basically paused for the summer 2004, while the vendor tries to complete the development of a key module of the application. If the vendor is able to complete the product and finally deliver a fully operational system, the OCCAC still requires considerable effort and expense to finish the implementation. Now would be a very opportune time to re-evaluate the project, especially in light of the very hurried approach that was taken at the outset.

**Recommendations 64:**

**ICMS project:**
a)  That the OCCAC follow established procurement rules for all consulting contracts;
b)  That CCACs not proceed independently with major IT projects requiring significant expenditures;
c)  That the OCCAC decision-making processes have, and are clearly seen to have, total openness and integrity; and
d)  That before any more expenditure of funds, time, or effort on this project, the Ministry assess whether the system has any province-wide application. If not, and if this PARIS version of an ICMS would have to be replaced by the new provincial system currently under development, resulting in a waste of public funds, the project should be stopped.  If, however, this ICMS is assessed to have strong potential as a provincial system, and if there is a likelihood that this project can be completed with satisfactory results within reasonable time frames and costs, it could proceed, but only under close supervision by the Ministry.

**G. Accommodation Issues**

In early 2003, the OCCAC initiated a strategic plan to continue to divest current leased space at 4200 Labelle Street, and subsequently establish satellite office locations throughout various areas of the Ottawa community. The OCCAC process for managing accommodation resources was reviewed, consistent with the objectives described in the Review Terms of Reference.

**i) Process**

Consider background information provided by the OCCAC, and by the Ministry Regional Ottawa Office.

Compare OCCAC accommodation resources to a similar urban-based CCAC peer group.

Consider the direction in PriceWaterHouseCoopers Baseline Report of August 2002.

Interview appropriate OCCAC staff responsible for accommodation resource management

Consider information from other the Review Team members based on case management staff and director interviews.

Review and assess the Business Case and other relevant documentation supporting the accommodation decisions (consider information provided to the Ministry, and to the Board).

## ii) Standards Applied

Section 6(2) of the *Community Care Access Corporation Act 2001* requires CCACs to obtain Minister approval (later delegated to Regional Director) to acquire or dispose of real property (including leases).

Section 6.3 of the CCAC MOU covers acquisition of real property including leased accommodation:

The CCAC and the Board are responsible for developing rules for the CCAC regarding the acquisition and disposal of goods and services and real property, which rules are to be in accordance with the principles of the Management Board of Cabinet's Directives concerning the acquisition of goods and services and real property. The CCAC shall act in accordance with these rules, and in the spirit that reflects the basic principles on which those Directives are based. Pursuant to subsection 6(2) of the Act, the CCAC shall not acquire or dispose of real property, including leases, without the prior written approval of the Minister.

The OCCAC process for managing accommodation resources was assessed to determine whether it met the principles of the Management Board of Cabinet's Directives concerning the acquisition of goods and services and real property:

**Planning** should clearly define project needs, on a multi-year basis, justifying the acquisition and planning for the necessary resources to be available, meeting current space standards, reviewing space currently occupied and future needs to identify current underused space and consider alternative ways to satisfy program needs.

**Competitive** process must be used to meet specified needs and to achieve value for money.

**Business Case** should provide a systematic analysis of all relevant information, including costs and benefits to arrive at a rational decision and the cost/benefit analysis of possible sites must be done before acquiring - involves a comparison of costs and benefits for alternatives based on comprehensive and comparable information.

**iii) Observations**

Comparison with similar urban-based peer group:

Reviewed the OCCAC against an urban-based peer group (five CCACs), based on selected information from the 2003/04 and 2004/05 budgets. The peer group included Etobicoke, Hamilton-Wentworth, Niagara, North York, Peel (and Ottawa).

The OCCAC "Cost per FTE" for building occupancy in 2003/04 and 2004/05 budget significantly exceeded the median for the peer group:

| Accommodation Cost Per FTE | | | | |
|---|---|---|---|---|
| **Fiscal Year** | **Ottawa CCAC** | **Median** | **Low** | **High** |
| 2004/05 Budget | $8,099 | $4,259 | $2,509 | $5,144 |
| 2003/04 Budget | $10,419 | $4,126 | $2,321 | $5,334 |

Review of the OCCAC budget working papers revealed that the 2003/04 and 2004/05 budgets included one-time costs related to decentralization to the satellite offices.

Calculating the Accommodation Cost/FTE using the projected annual costs in the OCCAC 2004/05 budget results in $5,328 ($1,322,924/248.3 FTE), about 25% above the median of the above CCAC Peer Group.

The peer group 2004/05 business plans were also reviewed to determine the number of offices in use. The urban-based peers used 1-2 primary offices.
The OCCAC strategic plan to operate from about 5-6 primary office locations in an urban setting is not consistent with the practice of the above peer group. The OCCAC does have case management staff sited at hospitals, and this is consistent with the peer group.

**PriceWaterhouseCoopers (PWC) Baseline Report August 2002:**

The PWC report, August 2002, advised the OCCAC to take steps to reduce accommodation costs. Although the PWC Baseline Report August 2002, provided direction for the OCCAC to organize staff in geographic-based case management teams, it did not suggest moving from the centralized location (Labelle Street) to satellite offices.

**iv) OCCAC Business Case Supporting the Accommodation Decisions**

The OCCAC Business Case(s) and acquisition process for leased accommodation was reviewed to determine if it was consistent with the principles of the Management Board of Cabinet's Directives concerning the acquisition of goods and services and real property.

The OCCAC requested and received approvals (under section 6(2) of the Community Care Access Corporation Act, 2001) from the Ministry, to dispose of some leased accommodation.

The OCCAC initial decision in August 2002, to surrender an unneeded 8,047 SF at Labelle Street was sound, and will result in additional accommodation savings of about $1.8M over the remaining nine years of the Labelle Street lease.

There are significant concerns with the process leading to the subsequent OCCAC decision(s) to decentralize Labelle Street to the five satellite offices (three completed to-date):

The concept to decentralize the OCCAC operations to high cost, high traffic, shopping malls together with a "branding identity", was moved forward by the Board Chair. The Chair was quite active in directing the day-to-day activities of the OCCAC staff charged with planning the satellite offices. Alternative accommodation approaches were not considered or entertained.

Staff ideas such as seeking strategic cost-effective co-location opportunities with partners in the community were not supported by the Board. For example, the business case outlined two phases. Phase two involved seeking co-location arrangements with appropriate partners such as community health centres and envisaged potential additional annual savings of $200,000 annually. The business case does not consider this phase being attempted first, or the possibility of moving forward with some combination of phase 1 and phase 2 projects. The initial business case and subsequent business cases are written to support the establishment of satellite offices. Alternative options or approaches were not considered.

The financial premise behind moving to the satellite offices was flawed. The business case(s) stated that moving to satellite offices would result in $1M in net savings in administrative costs, which would be re-directed to client care over the remaining years of the OCCAC lease at Labelle Street. However, the decision to move to satellite offices will mean higher administrative costs for the OCCAC:

The projected savings related to the move to the satellite offices included the $2.1M savings already realized by the OCCAC by the reduction of 8,047 SF at Labelle Street. Thus, the relevant base-for-cost comparisons was the cost of remaining at Labelle Street at 36,953 SF (not 45,000 SF).

The one-time satellite set-up costs, though substantial, were not included in the business case. The initial 2003/04 OCCAC budget estimated these costs at $166,333/satellite ($831,664 total). The projected actual costs based on three completed satellite offices are $334,693/site ($1.7M for five sites).

The incremental annual costs related to establishing the satellite offices (other than rent) were not included either. For example, telecommunications costs were projected to cost

$20,400 per satellite ($102,000 annually for the five satellites). These costs were not included when projecting the net savings available for client care.

The business plan and cost savings were based on surrendering an additional 20,000 SF at Labelle Street. This has not occurred to-date. The OCCAC is once again renting a total of 44,757 SF having established three satellite offices. The OCCAC only needs 32,500 SF, and will continue to pay for unneeded space until it is able to surrender space at Labelle Street. The market for office rental space has continued to decline since the OCCAC moved into its new premises at Labelle Street in the spring of 2002.

Ministry analysis indicates that once all of the relevant savings and costs are considered, the estimated <u>additional</u> administrative costs, over the Labelle Street nine year lease period for four satellite offices (three in 2003/04 and one planned for 2004/05), is between $2M - $3M. The above costs will increase if the OCCAC is not successful in surrendering 15,000 – 20,000 SF by October 1, 2004.  Secondly, it may cost the OCCAC more to surrender the unneeded space at Labelle Street in view of the declining rental market.

The planning process for acquiring the satellite offices was compromised. Satellite locations and space levels were secured without considering the specific space needs of the geographic based case management teams. This has resulted in a mismatch between the space available and the space needs of the current geographic teams. Once approx. 20,000 SF at Labelle Street is surrendered, the OCCAC will need to develop and implement a plan to decentralize the case management staff across the four satellite offices and Labelle Street (1$^{st}$ floor only). This will probably involve reconfiguring the geographic teams, and having 85 case managers share 51 workstations in the four satellite offices.

The OCCAC used the outside expertise of a realtor to help search/assess available satellite office sites according to the OCCAC satellite office location criteria. The OCCAC used staff representatives as well as the outside expertise of a space designer to lead the satellite office space planning process, once the sites had been secured. The space plans for Labelle Street (1$^{st}$ floor) and the satellite offices are within the MOHLTC office space planning guideline of 180 USF/staff.

The OCCAC used a competitive process to select the realtor, the space designer, and the contractor involved in establishing the satellite offices. The exception was the consultant contracted to provide the OCCAC branding identity (approx. $30,700), which was sole-sourced.

The satellite set-up costs exceeded the OCCAC budget for the three satellites established in 2003/04 by about $500,000 (101%). The OCCAC budget assumptions were reasonable and consistent with MOHLTC guidelines for set-up costs (design and construction, and telecommunications) related to office accommodation. The budget over-run is attributed to acquiring 1,285 SF more than provided for in the budget ($62,400), and the actual cost/SF to retro-fit the satellites was $49.15 higher than budget ($387,600).

Another factor was costs for furniture and security that were not included in the budget, but cost about $87,873 across the three sites. Telecommunication set-up and signage came in under budget by $32,450.

The OCCAC evaluation of the whole project, and in particular the 1st satellite office, was superficial. In preparing the business case to be sent to the Ministry, OCCAC staff were directed to provide information to justify going forward with the other satellites. It was too soon, having operated for only six weeks, to determine the impact of this type of office arrangement.

There was no evaluation of the impact on case management staff of operating from a satellite office, particularly how they would be supported by technology and administrative staff (HR, Finance & IT). OCCAC staff interviews revealed problems were beginning to surface. For example:

- Satellite office staff were requesting more information and technology support.
- Computer portals appear to be limited. At times the only way to get on the system is to have another staff person sign off.
- Size of the workstations were found to be smaller than those at Labelle Street.
- Staff have identified problems accessing case management files, particularly during "after hours".
- Staffing levels are not sufficient to support the same level of extended hours, for example, weekend extended hours.
- Coordinating case manager relief across satellite offices is more difficult than when all the case management staff were at Labelle Street.

**v) Communication with the Ministry and the Public**

The Ottawa CCAC has been less than transparent in its communications with the public and the Ministry about the costs and risks of moving to the satellite offices. The OCCAC did not provide the Ministry with sufficient information about the difficulty in surrendering the unneeded space at Labelle Street, or detail the impact of one-time costs on the availability of funds for client services.

The business cases submitted to the Ministry indicated that the move to the satellite offices would result in $1M savings (over eight years) in administration that could be re-directed to client care. The business cases were silent on the one-time set-up costs to establish the satellite offices. However, the April 23, 2003 Joint Executive/Finance Committee Meeting Minutes noted that the $1.3M for one-time transition costs to establish the satellite offices in 2003/04 was, "drawn from purchased services … this will result in possible waitlists in July/03 as opposed to Oct/03". Even after the OCCAC Board was advised that the projected actual set-up costs were likely to come in at approximately $300,000 per site, the November 2003 Business Case to the Ministry was not updated to cover the expected set-up costs of the remaining four satellite offices. The business case says these costs will be "accommodated within the organization's base operating budget". The tables below describe the planned and actual accommodation

costs incurred by the OCCAC after 2001/02. The new board was appointed in February 2002, and approved the subsequent budgets 2002/03 – 2004/05. The previous Board had committed the new Board to moving to Labelle Street and the increase in 2002/03 annual accommodation costs.  In view of the client service reduction strategies being implemented at the same time as the planned one-time costs on accommodation ($3M over 2003/04 and 2004/05) were being incurred, it is understandable that the Ottawa community was uneasy about the OCCAC Board's priorities.
The planned one-time costs represented more than two years rent for the OCCAC.

## vi) Accommodation Costs

|  | 2001/02 Budget | 2002/03 Budget | 2003/04 Budget | 2004/05 Budget |
|---|---|---|---|---|
| Annual | | $1,505,304 | $1,259,004 | $1,322,924 |
| One-time | | nil | 1,352,000 | 1,680,611 |
| Total | N/A | $1,505,304 | $2,611,004 | $3,003,535 |
| Total FTE | 309 | 276 | 268 | 266 |

|  | 2001/02 Actual | 2002/03 Actual | 2003/04 Actual |
|---|---|---|---|
| Annual | $721,786 | $1,431,419 | $1,263,974 |
| one-time | 454.785 | 952,066 | 1,095,860 |
| Total | $1,176,571 | $2,383,485 | $2,359,834 |

The Executive Director, with the assistance of the Director of Finance, forwarded a "Decentralization & Satellite Plans – Update" on August 20, 2003, to the Board of Directors. This memo clearly outlined the risks of proceeding with the current strategy: "…the ability to rent alternate space is somewhat contingent on our ability to relinquish space at 4200 Labelle St … although there have been some showings there has been no real interest" in leasing space at Labelle Street, and "the market is seeing virtually no activity".  Further information is provided about the declining office rents in the Ottawa market: "… one-time costs related to renovating space and moving are expected to be $300,000 per satellite … based on the Carlingwood experience".  More important, the memo set out an alternative strategy, to constrain the size to limit the work at the satellite sites to "information and referral", and to "pursue decentralization of case management through partners with other community agencies".  The memo outlined pros and risks among options.  The OCCAC Board knew that the vision to move to satellite operations was more risky (ability to lease-out Labelle Street), and was going to be more costly in terms of the amount needed for one-time transition costs.

117

In contrast, the November 2003 business case to the Ministry, which sought approval to move forward with the 2$^{nd}$ and 3$^{rd}$ satellite offices, cites a much more positive situation: "Furthermore, the OCCAC remains optimistic for the continued interest of PWGSC to acquire additional space at Labelle Street. The OCCAC continues to actively market the space and to date, various tenants have demonstrated interest in this potential opportunity".

Clearly, the OCCAC had not been successful in finding a tenant for the 10,000 SF at Labelle Street. The business plan (sent to the Ministry) did not consider/describe options to delay implementation of the next two satellite offices pending finding a tenant. Going forward with these proposed leases resulted in the OCCAC carrying about 44,757 SF when only 32,500 SF was needed. It meant that the OCCAC would return to leasing the same square footage it started with before surrendering the 8,047 SF (at the end of 2002/03).

There appears to be very little evidence to support the OCCAC renting additional space (two more satellites) in the Fall of 2003. It was a risk the OCCAC could have easily avoided. Delaying the implementation of the further satellite offices would have allowed more time for the OCCAC to carry out a comprehensive evaluation of the first satellite office, and to find a tenant for the unneeded space at Labelle Street. In view of the changed situation, OCCAC staff had put forward a viable broader alternative strategy for consideration by the Board in August 2003. Yet, the OCCAC Board did not support this strategy. The additional costs for satellite set-up and increasing lease penalty (in view of the declining office market) would require funding that would otherwise be available for client care.

**vii) Reporting Lease Penalty & Realtor Fees in the 2004/05 Budget:**

Only 1/5$^{th}$ of the projected costs (lease penalty, realtor fees plus financing costs to repay over five years) to surrender the 20,000 SF at Labelle Street was reported in the 2004/05 Budget. This meant that only $132,026 (includes interest costs) is reported in 2004/05, rather than the total estimated $1,124,611 lease penalty cost. This reporting format was adopted because the OCCAC has plans to search for a lender to finance this cost over five years. However, these costs are not an investment/asset and should be reported 100% in the year incurred. It does not matter how the OCCAC chooses to finance these costs. Choosing not to reflect the entire cost in the 2004/05 budget could be interpreted as an "accounting scheme" to avoid reporting the full substance or impact of the OCCAC decision to surrender the leased space. This represented a change in accounting practice for the OCCAC. It had previously charged the full lease penalty costs in the year the expenditure was incurred (in 2002/03 for the actual costs for 8,047 SF surrendered and in the 2003/04 budget for the planned costs for surrendering 10,000 SF).

**Observations:**
The OCCAC management processes did not meet all of the principles of the Management Board of Cabinet Directives guiding the acquisition of accommodation resources:

Planning was inadequate in the following areas: alternative ways to satisfy program needs were not considered; the OCCAC proceeded to rent additional higher cost office space in excess of its current needs; the space needs (based on numbers of staff in the geographic teams) was not clearly defined before acquiring leased space; and the evaluation of the first satellite project was not complete.

Competitive processes were used to select most of the consultants/suppliers.

The OCCAC business cases did not provide a systematic analysis of all the relevant information, and consequently rational decisions were not made. Cost and benefit analyses of alternatives were not based on comprehensive and comparable information.

**Recommendations 65:**

Decisions made about satellite offices:
a)  Defer the implementation of any further satellite offices pending a comprehensive evaluation of the plan and its full costs and benefits, and divestment of the unneeded space at Labelle Street;
b)  Develop a specific space plan, based on the actual staff space needs, and maximize space at Labelle Street and the existing Satellite Offices. This may require re-configuring the current geographic-based case management teams and the sharing of space among case managers. It will also determine the amount of space that can be surrendered at Labelle Street;
c)  Continue to seek opportunities to surrender unneeded space at Labelle Street;
d)  Establish a broad-based staff working group to identify and resolve  issues concerning how staff at the satellite offices are supported (by information & technology, human resources, records management, finance, and management);
e)  Carry out a long-term, comprehensive evaluation of the impact of satellite offices on client services. Investigate opportunities to co-locate case management staff with other community agencies and evaluate the success of these arrangements.


**H. Procurement and Contract Management**

**i) Review Process**

Interviews with the Director, Managed Competition, Strategic Alliances & Partnerships Unit and the Manager, Contracts & Quality Improvement were conducted based on a series of questions prepared in advance.

**ii) Documents Reviewed**

- Procurement Policy from OCCAC Intranet
- Review of RFP – Therapy process
- Transition Plan for Adult Therapy Services
- RFP for Nursing, Personal Care and Nutrition
- Package of memos, e-mails, etc., provided by OCCAC in response to a request for

information regarding the announcement of the successful therapy bidders
- Ministry information on the Hospice at Maycourt

## iii) Standards Applied

The Ministry expectations are set out in legislation, regulations, policies, protocols, Memorandum of Understanding and Accountability Statements.

The Accountability Statements relevant to this subject are:

- Provide Ontarians with fair and equitable access to community-based health and long-term care and other related social services so that Ontarians are better able to remain in their home and/or desired community.

- Facilitate partnerships with health care and broader human services so that different parts of the system work together.

- Arrange cost-effective, well-managed services for eligible clients within available resources and in accordance with applicable legislation, regulations, and ministry policy.

- Ministry policy as it relates to Procurement and Contract Management may be found in the following documents:

- Client Services Procurement Policy for Community Care Access Centres, July 2003
- Client Services Procurement Procedures for Community Care Access Centres, July 2003

## iv) Observations

When Community Care Access Centres were first created, depending on the local circumstances, some services were provided by staff employed by the CCAC and some services were contracted out.  In almost all cases, therapy services were provided by CCAC employees.  Under direction from the Ministry, the CCACs were required to divest all direct service employees and adopt a "managed competition process" to acquire direct client services.  When selecting providers through an RFP process, all CCACs are required to use a Ministry "highest quality; best price" model.  There is no expectation that CCACs must accept the lowest bid.

When the Government of Ontario restructured the Community Care Access Centres in early 2002 and appointed the Boards and Executive Directors by Order-in-Council, the OCCAC was completing an RFP for Nursing and Personal Support Services.  When the Board reviewed the proposed new rates, they asked that the staff cancel the RFP and negotiate extensions to the existing contracts.  The staff renegotiated the contracts for expiry September 30, 2004.  This provided a period of service stability.

The previous OCCAC Board had divested its therapy staff, as required, and had signed a four-year contract with the divested staff for therapy services, set to expire on March 31,

2004.  At the end of the contract, the current OCCAC Board issued an RFP for the therapy services.

One of the initiatives undertaken by the Ministry, jointly with the Ontario Association of CCAC's, was to create a common approach to the procurement and contracting process, including a common template.  With the assistance of a law firm, this was completed by the end of August 2003.  Almost immediately, a number of CCACs across the province began use of the new policy and procedures for issuing RFP's.  The CCACs that were part of this initial group were referred to as "Quick Start" CCACs and Ottawa was one of them.

When this Operational Review began, Ottawa had completed an RFP for Adult Therapy services  (Occupational Therapy, Physiotherapy and Social Work).  As a result of the RFP, the incumbent company was not awarded any portion of the contract.  The contracted volume is now split 50/50 between two companies.

Pediatric therapy and Speech Language pathology are under a separate school services contract.  The OCCAC has negotiated an extension to the existing contract until August 31, 2005.  These contracts are with a subsidiary of Kaymar, the company which was not successful in the recent RFP for Adult Therapy.

The OCCAC issued an RFQ for Nursing, Personal Support Services and Nutrition on January 26, 2004 and the full RFP on April 13, 2004, with a start date for new contracts of October 1, 2004.

The OCCAC negotiated an extension of the existing contract for Medical Supplies and Equipment until September 30, 2005.

A key requirement of the RFP for Nursing, Personal Support Services and Nutrition, is something the OCCAC refers to as a "Basket of Services" approach.  Under this requirement, the OCCAC is hoping that each client will have a single provider agency for all services of these types that the client requires.  The expiry date for contracts for Adult Therapy, Nursing, Personal Support Services and Nutrition are now the same – September 30, 2008 – as the OCCAC hopes to merge all these services the next time RFPs are issued.

**v) Issues Related to the "Basket of Services" approach:**

The Ministry and the Ontario Association of CCACs (OACCAC) have been discussing a "basket of services" for CCACs.  As described in the OACCAC Discussion Paper, May 20, 2003, the term refers to "a consistent and comprehensive continuum of home and community services that should be available to Ontario citizens, regardless of where they live".  The OCCAC's use of the same term with a different meaning is misleading.

Other CCACs are deliberately selecting different end dates for contracts to ensure that all contracts do not end on the same date.  By staggering the end dates of contracts the CCACs can prevent the amount of risk and disruption that would be involved for clients

if there were a simultaneous a transition of all services from one agency to another. Given that OCCAC is the largest CCAC in the province, in a designated French Language Services area that includes many other cultures, the OCCAC RFP's may contain some of the most complex requirements. Therefore, it would seem that their "basket of services" approach would require extensive evaluation of risks to clients, agencies and the community service system in the area. A thorough and objective assessment does not seem to have taken place.

Some services have large volumes (Personal Support Services); some medium (Nursing); and some small (Nutrition). An evaluation is needed of whether one provider can really provide all services while maintaining the same level of expertise and high quality.

Another issue is whether this approach might result in sub-contracting among providers, in which case there are questions of accountability and liability, as well as the fact that subcontracting would seem to defeat the purpose of the "basket of services".

This decision to require a "basket of services" has been made by the OCCAC with no objective evidence presented to show that it is of value to clients, or presents efficiencies to either the service provider or the OCCAC.

**Recommendation 66:**

The OCCAC must evaluate the options, benefits and risks to clients, the community and the OCCAC itself, before making decisions that will affect how client services will delivered. Effective consultation must be a part of the evaluation process.

**vi) Policies and Procedures**

The OCCAC has on its Intranet a policy outlining local procedures for procurement as required by Ministry policy. There is a flow chart which indicates how decisions about the successful applicants are made, and by whom. Several Committees/Working Groups are involved – RFP Working Groups, Evaluation Committees, Managed Competition Advisory Group, etc. The role and composition of each group is identified.

Recently, the Contract Management Unit has put a document referred to as the "Cole's Notes" of contract management on the OCCAC Intranet (Adult Therapy Contract Synopsis). This document outlines the performance requirements in each service provider contract so that Case Managers will know when service is provided in accordance with the contract, and when there is an issue.

CCACs are allowed to contract with providers without using an RFP process if the total contract price is equal to or less than $150,000. The Ministry Client Services Procurement Procedures Document sets out requirements for such contracts as exceptions to the RFP policy. In addition to the limit on the amount of the contracts, the contracts must respect the principles of competition and high quality for best price. There is a provision under which the CCAC may obtain prior written approval from the Ministry for a contract under this policy.

**Recommendation 67:**

That the OCCAC document policy for acquiring services outside the RFP process. This would include the competitive process to be used when a contract is for less than $150,000, and the information to be provided when seeking Ministry approval to issue a contract without a competitive process.

**vii) Procurement and Recent RFP Processes**

In using the Ministry's new templates for the RFP for Adult Therapy services, the OCCAC identified some questions that caused difficulty for bidders, creating a scoring problem.
The OCCAC did not feel that there was sufficient variation of scores between bidders based on rates. These concerns have been tabled with the Ont. Association of CCACs and are expected to be discussed at a provincial meeting of CCACs in July, 2004.

In response to questions about how the OCCAC will ensure that the successful bidders in the new RFP for Nursing can provide services that in the past have gone to one specific provider, the OCCAC gave assurances, confirmed through a reading of the document, that the RFP has been worded to meet local demographics and special requirements such as the Chemotherapy Home Infusion Program (CHIP) and leg ulcer protocol.

Client Services staff interviewed by the Review Team commented on the "turmoil" they expect to be dealing with when the new contracts for nursing are signed, if there are major changes in the provider agencies. This can be expected as the current RFP is set up so the OCCAC may award contracts to a maximum of five companies. If five companies are successful (and there is no reason to assume they won't be as there are eight companies who qualified) the highest volume possible for the #1 ranked company will be 25% of the total volume for Nursing, Personal Support and Dietary combined (although Dietary will be awarded to only two companies due to limited volume). Once again, there does not appear to have been an assessment of the impact and risk of disruption to clients, the community, the service agencies and the OCCAC itself, when deciding upon the number of agencies to use.

**Recommendations 68:**

a) That the OCCAC provide to the Ministry objective evidence of the benefits and risks of requiring service providers to provide a "basket of services";
b) That the OCCAC evaluate the impact of decisions about the number of agencies to be given contracts, as to the effect on clients, service providers, and OCCAC business processes and staff; and
c) That the OCCAC delay the most recent RFP for Nursing, Personal Support and Nutrition until the impact, risks, and benefits to clients and the community has been assessed, and all negative impacts have been mitigated or eliminated.

**viii) Contract Management**

The PriceWaterhouseCoopers Report identified the need for a higher focus by the organization on contract management. PWC recommended a new role within the OCCAC – "Director, Managed Competition, Strategic Alliances and Partnerships". This position would be responsible for developing and issuing RFPs for purchased services, implementing managed competition, and maintaining and enhancing relations between the OCCAC and its partners, service providers and the Ministry. In response to that report, the OCCAC created the Director position. Within that Unit, there are a total of 3 positions: the Director, the Manager and one other. At the moment, the last position is vacant.

In dedicating a position to this work, the goal was to change the relationship between the OCCAC and the service providers to a more business based approach. Providers would be held to the terms of the contract they sign with the OCCAC.

Some work was begun on the relationship when an analysis of issues showed that "responsiveness" was a key area needing improvement. For the past year, the OCCAC has targeted refusals by providers to provide services, particularly regarding hard to serve clientele (e.g., service outside regular working hours). For 2-6 months, the OCCAC tracked information and then aggregated it to show how providers did on this area during the period. The OCCAC wanted to change the culture so that if an agency refused, the agency had to assume responsibility to find a solution even if it required subcontracting to another agency.

In response to a question regarding the number of breaches by service providers over the last two years, the Director was unable to identify any. This response would confirm the findings of the PWC report, as it is unlikely that no breaches occurred, only that the OCCAC did not identify any. This is not intended as a criticism of current staff. Client Services staff would not have known what constituted a breach. It appears that any issues between the OCCAC and the service provider, or between the service provider and a client, were dealt with by the Case Manager. If there were serious issues requiring management involvement, this usually consisted of meetings, and matters were resolved verbally.

The process for Contract Management has now been made more formal in conjunction with the issuance of RFPs using the new templates. Performance standards are now set out in the contracts, and are contained in a Contract Management document on the OCCAC Intranet, to assist Case Managers to identify when service providers are not providing services in accordance with their contract. Case Managers will continue to be the first point of contact to deal with any issues, but they now are expected to identify such issues to the Contract Management staff who will track them and determine whether there are any patterns or trends. The OCCAC will also be doing random audits to check performance.

In addition, the Contract Management group is learning more about the environment in which service providers work so that when a provider gives a reason for a failure, the OCCAC will know whether that reason is valid.

Some service providers, particularly those who have contracts with several CCACs, have noted that different CCACs require different reports. At a provincial meeting in July, 2004, the OCCAC will be discussing these requirements to determine if it is possible to come up with a common set of reports that would meet the needs of all CCACs.

Under the new contracts, it is intended that the OCCAC ensure that the various providers each receive the volume of service for which they have contracted. At present, only the adult therapy services require careful monitoring.

With five possible companies in the mix for Nursing, Personal Support and Dietary, the allocation of volumes will become much more complex.
It was not clear to the Review Team that the CCAC has the staff assigned (one position in the contract management group is vacant) or the technology ready for the challenge.

**Recommendations 69**

a) That the CCAC have a formal procedure for Client Services staff to notify the Director of Managed Competition about issues with providers, and that the type and magnitude of the issues to be reported be clearly set out
b) That, before proceeding with the "basket of services" approach, the OCCAC ensure that their business practices and information technology are ready, and that staff are trained, to support the management of the new contracts.


**I**. **Hospice at Maycourt**

The Hospice at Maycourt includes a nine bed residential care program.

In 2000, the former administration of the OCCAC entered into an agreement with Maycourt, under what was described as a pilot project, to provide funding to Maycourt for services for the residential clients. The pilot project opened in January 2001. The original term for the pilot was 15 months. The agreement was in violation of the Ministry's requirement that all services provided by the CCAC be obtained through managed competition. The CCAC does not have authority to provide funding to another individual or entity to purchase services. The OCCAC did not advise the Ministry that it had entered into this agreement. The value of the agreement is approximately $500,000.

In September 2001, the Ministry agreed to a proposal that the Victorian Order of Nurses assume legal liability, quality care and banking for the pilot subject to the following conditions:

- Funding would be provided through an approved service provider and this provider agrees to be responsible and accountable for the quality of services funded.
- The OCCAC monitor the agreement

- The pilot project must be completed by March 31, 2002
- A full evaluation and assessment of the impact of the project be completed.

The OCCAC extended the pilot to June 30, 2002. The Ministry agreed that the current model would be extended to October 2004, at which point an RFP would be issued for these services. The Ministry agreed to the extension for the following reasons:

- The nursing shortage in 2002 would impact the ability to deliver the care in a cost-effective manner
- The only potential competitive bidder in an RFP would not be ready to respond in 2002
- The RFP process for CCACs was undergoing review.

The Ministry continues to require that an RFP be issued for the services at Maycourt. The OCCAC could choose to use the general nursing RFP and include service hours specifically for Maycourt. Alternatively, an RFP could be specific for "end of life" care.

The hours for Maycourt are not included in the current RFP for nursing. It is the Review Team's understanding that the current contract between OCCAC and Maycourt expires on September 30, 2004, the date on which the OCCAC's current contracts for Nursing and Personal Support expire. The OCCAC will however, continue to provide services as appropriate to clients who choose to make this location their home.

The model of service supported by Maycourt is one where Maycourt is responsible for the services and provides them to its clients as a whole. Maycourt is not supportive of a model whereby the OCCAC provides services at their location to clients on an individual basis.

**Recommendation 70:**

That the Executive Director and the Board of the OCCAC be aware of Ministry expectations as set out in legislation, policies and guidelines and ensure that the OCCAC follows the principles set out in those documents. Requests from other agencies must be vetted against those principles and either refused or put forward to the Ministry for formal approval.

# Ottawa CCAC Operational Review

# PART VII

# <u>APPENDICES</u>

## Ottawa Community Care Access Centre Operational Review
## TERMS OF REFERENCE

**I      BACKGROUND**

The OCCAC currently operates from two locations, their head office in the East End of the city and their first geographic office in the West End of the city.  Two additional satellite offices are slated to open in May 2004. The OCCAC provides services, within available resources, to any resident of the city of Ottawa who is deemed eligible according to Ministry directives.

The OCCAC manages contracts with 18 approved service providers, which have been selected through a request for proposals (RFP) process.  It has a staff of over 300, mostly case managers, assessing, planning and arranging for services to meet clients' assessed needs.  Case managers also assist in the placement of clients requiring admission to long-term care facilities and manage the waitlists for these, as per legislation.

**II      PURPOSE**

To assure the people of Ottawa that their Access Centre is operating with their best interests in mind, the Minister announced an operational review of the Ottawa Community Care Access Centre (OCCAC) on March 16, 2004.

**III      SCOPE OF THE REVIEW**

- Determine the adherence to the overall CCAC governance structures and processes and the impact on strategic decision making
- Review how the Ottawa CCAC meets client needs within Ministry policy and within its allocated funding.  Review the financial management of the organization

**GUIDING PRINCIPLES:**

- All aspects of the review must be fair and transparent;
- The review will be completed within 90 days of initiation.

**OBJECTIVES:**

- Determine if the board is functioning within the parameters of the Memorandum of Understanding (MOU) for CCACs;
- Determine compliance with the Long-Term Care Act, the Community Care Access Corporations Act, Ministry policy, directives and guidelines in provision of service to clients;
- Determine if the resources of the organization are optimally allocated to meet the needs of their clients (including financial, human resources, information technology, accommodation, consultants, legal and professional services);
- Review the internal decision-making processes of the organization and evaluate their impact on the focus and function of the organization;
- Assess the Ottawa CCAC's financial and information management systems, controls, policies and procedures as they influence the allocation of resources and the current financial position of the organization;
- Identify the findings of the review;
- Develop recommendations and strategies after Ministerial review of identified issues.

**IV    REVIEW PROCESS**

**Operational Review Team:**

The Operational Review Team will be lead by an external reviewer who will act as Project Lead. The team will include a second external reviewer as Governance Reviewer responsible for the governance aspects of the review. The remainder of the Operational Review Team will include Ministry representatives from the East Region office, corporate offices and other regional offices who will support the financial and operational aspects of the review. The Project Lead and the Governance Reviewer will report to the Regional Director of the East Region, Acute Services and Community Health Divisions, MOHLTC, and will be responsible for ensuring that the final report covers all aspects of the terms of reference. The Regional Director will report the progress and results of the review to the Deputy Minister of Health and Long-Term Care.

The review will include but not be limited by the following activities:

- Review of CCAC Board structure, bylaws, communication, membership, meeting minutes, policies and procedures;
- Review and assess all operational polices and procedures of the CCAC;
- Review and assess strategic direction and related resource allocation decisions;
- Review and assess priority setting and resource allocation policies, processes and procedures;

- Review and assess HR strategies, including current CCAC structure, job descriptions, staff training and development practices;
- Review and assess current quality management practices including complaints and appeals processes;
- Interview selected CCAC staff to review the application of the policies and procedures related to service delivery, program and financial procedures and controls;
- Review Integrated Case Management Project plan, progress and evaluation of implementation to date;
- Obtain stakeholder input by interviewing selected community members and associated service provision agencies to determine CCAC's ability to work well within the community; and
- Review practices considering a number of documents (e.g. policies & directives for CCAC, Board governance training manual, provincial review of CCACs, accreditation standing and recommendations, etc).

## REFERENCE GROUP

**PURPOSE:**
The Reference Group will provide advice to the Operational Review Team on issues that need to be reviewed, and inform the process of the operational review.

**MEMBERSHIP:**

**Chair:**
The Reference Group will meet up to 3 times and be lead by the Regional Director of the East Region, Acute Services and Community Health Divisions, MOHLTC.

The Reference Group will also include the following individuals:

- Governance Reviewer
- Project Lead
- Finance Manager, East Region, Acute Services and Community Health Divisions, MOHLTC
- Director of Home Care and Community Support Branch, Community Health Division, MOHLTC (or Senior Manager of Home Care and Community Support Branch)
- Board Chair of Ottawa CCAC
- Executive Director of Ottawa CCAC
- Community  Representative

# REVIEW TEAM

**Lianne Carnwath, Project Lead**

Ms Carnwath's educational background is in nursing and community health.  She has experience as a community health nurse, as the Director of a local Home Care Program (precursor to CCACs), and as a Home Care Consultant, Manager, and Regional Director for the Ministry of Health and Long-Term Care.  While working for the Ministry she co-chaired the Implementation Team that planned the establishment of CCACs across the Province.  Now "retired", she has reviewed one CCAC since retirement, and had reviewed many Home Care Programs while employed by the Ministry of Health.

**David Hill, Governance Reviewer**

Mr. Hill is an Ottawa lawyer, Queen's Counsel, Member of the Order of Canada, and founder and co-chair of the law firm, Perley-Robertson, Hill and McDougall.
His legal practice is concentrated on life sciences, health care, and biotechnology.  He has been General Counsel to the Ottawa Hospital and has been involved in governance matters for numerous public institutions, lecturing extensively in the area.

**Jane Blums, Client Services Reviewer**

Ms Blums has a nursing background, with a BScN, BA and MA, and is a certified member of the Canadian College of Health Service Executives.  Her work experience includes working as a case manager and manager in a local Home Care Program, as well as working for the Ministry of Health as a Home Care Consultant, and Long-Term Care Senior Policy Analyst.  As a private consultant she has had projects working on the implementation of, and training on, software for service provider agencies.  She is currently working as a Program Consultant in the Central South Regional Office, responsible for four CCACs.

**Eleanor Douey, Client Services Reviewer**

Ms Douey has a BA and an MBA, and has worked in the private sector in the legal information technology field.  For the past 22 years she has worked for the Ministry of Health as well as the Ministry of Community and Social Services.
She currently is a Program Consultant in the East Region Kingston office, with responsibility for the Kingston, Frontenac, Lennox and Addington CCAC, and serves as the Region's lead on the Ministry's CCAC Task Force.

**Lorena Chioran, Finance and Management Reviewer**

Ms Chioran is a Certified General Accountant who has been a staff member of the Internal Audit Branch of both the Ministry of Health, and currently of the Management Board Secretariat, since 1979. She has conducted many audits of transfer payment agencies, such as the CCAC, as well as audits of the Ministry itself.

**Ray Rennie, Finance Reviewer**

Mr. Rennie has worked in Finance and Administration in the private sector for 15 years, and in the public sector for 22 years.  He has been a Long-Term Care Senior Financial Analyst responsible for CCACs and a variety of other types of services.  He has participated in several financial and program reviews, including two CCAC operational reviews.  He currently is working, on secondment, with a CCAC in the East Region.

**Andy Wilson, Finance Reviewer**

Mr. Wilson is a Chartered Accountant, and also has a Commerce degree.  He has worked as an auditor, and with the Ministry as a Finance Manager and Program Consultant with a focus on Long-Term Care services, including CCACs.  He has been involved in several program reviews.

## Appendix B

## CCAC REVIEW STANDARDS

Long-Term Care Act, 1994
Community Care Access Corporations Act, 2001
Health Insurance Act
Charitable Institutions Act
Homes for the Aged and Rest Homes Act
Nursing Homes Act
Memorandum of Understanding
OCCAC By-laws
OCCAC Approved Business Plan and Budget
OCCAC Policies and Procedures
LTC Facility Program Manual
Placement Coordination Services Manual
Ministry Policies & Procedures, Guidelines, and Directives for CCAC's
Client Services Procurement Policy for CCACs (July 2003)
Client Services Procurement Procedures for CCACs (July 2003)
Conflict of Interest Guidelines, MOHLTC, Dec., 2002
Management principles of Gov't of Ont as per section 2.1.3 of the MOU between
Ministry and CCACs: "Ethical behavior, accountability, wise use of public resources,
value for money, fair and equitable access to high quality service, openness and
transparency".
Management Board Sec. Directive: Enhancing Privacy: Computer Matching
MBS Directive: Government Appointees
MBS Directive: Information and IT Security
MBS Directive: Management of Recorded Information
Direction provided in letters from the Ministry

## OTHER REFERENCE DOCUMENTS

Terms of Reference for OCCAC Review
Budget Requests
Monthly, Quarterly And Annual (ARR) Financial And Statistical Reports.
Comparative provincial CCAC stats
Board Minutes
PriceWaterhouseCoopers' OCCAC review
Relevant correspondence
Media articles

# Appendix C

## SPACE ANALYSIS OVERVIEW

Under best practice standards for planning/acquiring office accommodation, the first step is to define the project requirements, including space, furniture, and equipment, *based on space analysis*. The Satellite Office project requirements were <u>not</u> defined prior to acquiring the satellite office space, rather it was the space available (sites were secured first) that defined the project. While the Ottawa CCAC went through a process to define geographic teams, based on client demographics and caseloads, the actual staffing on these teams was not used as the starting point for defining each teams space requirement in the community. Consequently, the space-acquired to-date does not match very well with the space needs of the geographic teams. The table below summarizes the difference between the staff need and the availability of workstations. Its based on the preliminary work of staff at the OCCAC in November 2003 to prepare options to balance the staff space need to the projected available space. It has not been reviewed or approved by CCAC Senior Leaders or the Board. The Ottawa CCAC has several options to balance space need within the available space, such as implementing case manager hotelling and/or assigning parts of the intake and specialty teams to the satellite offices. Alternatively, it could also seek phase 2 accommodation type arrangements. While acknowledging that the Ottawa CCAC has the above options to pursue, the space analysis does reveal that *the decision to select the sites prior to defining specific staff space needs will make future operations more difficult.* For example, staff on the geographic teams may be located across more than one site. Management and administrative support for case managers and client service representatives will be more difficult under these conditions. It will be important for the OCCAC to establish a more definitive long-term space plan in preparation for the planned surrender of the 20,000 SF at the Labelle Street Office.

| | # of Staff[1] | Site Max | # of Staff Over (Under) Available Workstations |
|---|---|---|---|
| North | 25 | 15 | 10 |
| West | 14 | 21 | (7) |
| East | 21 | 24 | (3) |
| South | 9 | 17 | (8) |
| Central South | 29 | TBD | TBD |
| Labelle Street | 101  50 Specialty, and 51 Administrative. | Total useable SF available 14,086 on the first floor | Estimated 3,995 SF shortage at the Labelle Street site options to balance include hotelling, seeking co-location, or further decentralization of specialty teams. |

---

[1] Based on Nov 2003 planning document, updated FTE staff at June 2004 for the Program Review Team indicates 13 more case managers across the geographic teams. Staff at Labelle St. were at the same level. The geographic team sizes are now North: 29; West: 17; East: 25, South: 9; and Central South: 31.

## Ottawa CCAC Operational Review - Accommodation Section
### Comparing Alternative Lease Arrangements

This analysis looks at the projected net savings (costs) related to remaining at Labelle Street vs. establishing satellite offices under various scenarios. It is based on the latest information in the 2004/05 CCAC budget (includes plan to establish the fourth satellite), and the 2003/04 actuals. Supporting schedules for each scenario describes the underlying assumptions.

Page 2 describes the projected $1.8M savings achieved by the OCCAC related to surrendering 8,047 SF at Labelle Street, and the rationale on why these savings were not relevant to the decision to remain at Labelle Street or decentralize to the satellite offices.

All the scenarios assume that space surrendered at Labelle Street occurs on October 1, 2004. If this does not occur, the costs of moving to the satellite offices will increase further.

Each scenario estimates the net savings/costs over the life of the lease agreement at Labelle Street. Page 3 provides a comparative summary of the various scenarios. It indicates that once the relevant SF down-sizing savings and the one-time transition costs are considered, it appears that the decision to establish satellite offices will cost the OCCAC between $2M to $3M more than if the CCAC had simply remained at Labelle Street (at 36,953 SF).

The scenario that would have provided the most savings for the OCCAC was to further reduce space used at Labelle Street to the 32,500 square feet needed by the CCAC. The projected additional savings for this scenario are approx. $641,380.

Further savings were possible if the CCAC could reduce space at Labelle Street to the 27,829 SF in the 2004/05 budget, by seeking successful phase 2 co-location type accommodation arrangements with community health partners. The projected annual savings are approx. $1.6M for this scenario, but are over-stated by the amount of the transition costs related to establishing these off-site co-located office arrangements.

The 2004/05 Ottawa CCAC budget was based on total configuration of 27,829 SF. It appears possible that the CCAC could operate at 27,829 SF, if the geographic teams were re-configured and case manager hotelling was introduced. Under this scenario, assuming that 20,000 SF at Labelle Street is leased-out by Oct 1/04, the incremental costs related to moving to the satellites is approx. $2M over the remaining lease term at Labelle Street.

**Appendix D**

**Ottawa CCAC Operational Review - Accommodation Section**
**Comparing Alternative Lease Arrangements**
**Savings Related to the Surrender of Labelle Street 3rd Floor**

| **Surrender of the 3rd floor, Labelle Street:** | | | | Total Over | Av Annual |
|---|---|---|---|---|---|
| | SF | Cost/SF | Years | Lease Period | Savings/Year |
| On-going Rent Savings: | 8,047 | $ 33.43 | 9 | $ 2,421,000 | $ 269,000 |
| | | | | | |
| Less One-time Costs: | | | | 572,291 | |
| | | | | | |
| Net Total Savings Over Nine Year Lease Period | | | | $ 1,848,709 | |

Source: Ottawa CCAC Business Case Request Letters

Note:

The above savings are not relevant to the decision to decentralize to satellite offices or remain at Labelle Street. These would have been realized if the CCAC stayed at Labelle (@ 36,953 sf) or decentralized part of Labelle Street to satellite office.  Per Ottawa CCAC August 16, 2002 letter to the Ministry, the "reconfiguration of the current space design as well as last year's staffing reductions allow for the feasibility of relinquishing the space entirely."  This space represented/provided for future CCAC growth, and was not needed for current operations. The relevant space requirement for considering comparing cost/benefit for alternative space arrangements (decentralization) was the current CCAC space (36,953 square feet).

**Ottawa CCAC Operational Review - Accommodation Section**
**Comparing Alternative Lease Arrangements**
**Comparative Summary**

| Scenarios | Total Over Lease Period | Av Cost Over Lease Period | Incremental Savings (Costs) from the Labelle Only - 36,953 SF |
|---|---|---|---|
| Labelle Only - 36,953 SF* | $ 11,125,098 | $ 1,236,122 | $ - |
| Labelle Only - 32,500 SF | $ 10,483,718 | $ 1,164,858 | $ 641,380 |
| Labelle Only - 27,829 SF | $ 9,565,949 | $ 1,062,883 | $ 1,559,149 |
| Labelle/Four Sites - 32,876 SF | $ 14,137,235 | $ 1,570,804 | $ (3,012,137) |
| Labelle/Four Sites - 27,829 SF | $ 13,219,466 | $ 1,468,830 | $ (2,094,368) |

Note: excludes $1.8M net savings related to the surrender of 8,047 SF at Labelle Street.

# Appendix D

**Ottawa CCAC Operational Review - Accommodation Section**
**Comparing Alternative Lease Arrangements**
**Based on Remaining at Labelle Street (Vary Square Footage)**

| 1 | **Remain at Labelle Street, and Use/Need 36,953 SF** | Effective Date | SF | Cost/SF | Years | Total Over Lease Period | Av Cost Over Lease Period |
|---|---|---|---|---|---|---|---|
| | **Rent Costs for Labelle Street:** | 01-Apr-03 | 36,953 | $ 33.45 | 9.0 | $ 11,125,098 | $ 1,236,122 |

| 2 | **Remain at Labelle Street, and Use/Need 32,876 SF** | Effective Date | SF | Cost/SF | Years | Total Over Lease Period | Av Cost Over Lease Period |
|---|---|---|---|---|---|---|---|
| | **Rent Costs for Labelle Street:** | 01-Apr-03 | 36,953 | $ 33.45 | 9.0 | $ 11,125,098 | |
| | Reduction effective Oct 1, 2004 | 01-Oct-04 | (4,077) | $ 33.45 | 7.5 | $ (1,022,817) | |
| | | | 32,876 | | | | |
| | Estimated Lease Penalty: | 01-Oct-04 | 4,077 | $ 56.23 | 1.0 | $ 229,252 | |
| | Estimated Realtor Commission: | 01-Oct-04 | 4,077 | $ 12.80 | 1.0 | $ 52,186 | |
| | Estimated Reconfiguration Costs | 01-Oct-04 | | | | $ 100,000 | |
| | | | | | | $ 10,483,718 | $ 1,164,858 |

| 3 | **Remain at Labelle Street, and Use/Need 27,829 SF** | Effective Date | SF | Cost/SF | Years | Total Over Lease Period | Av Cost Over Lease Period |
|---|---|---|---|---|---|---|---|
| | **Rent Costs for Labelle Street:** | 01-Apr-03 | 36,953 | $ 33.45 | 9.0 | $ 11,125,098 | |
| | Reduction effective Oct 1, 2004 | 01-Oct-04 | (9,124) | $ 33.45 | 7.5 | $ (2,288,984) | |
| | | | 27,829 | | | | |
| | Estimated Lease Penalty: | 01-Oct-04 | 9,124 | $ 56.23 | 1.0 | $ 513,048 | |
| | Estimated Realtor Commission: | 01-Oct-04 | 9,124 | $ 12.80 | 1.0 | $ 116,787 | |
| | Estimated Reconfiguration Costs | 01-Oct-04 | | | | $ 100,000 | |
| | | | | | | $ 9,565,949 | $ 1,062,883 |

One-time costs acknowledged, but not included in the OCCAC comparative analysis.
Per OCCAC 2004/05 Budget Working Papers:
Lease Penalty: $56.23 per SF ($1,124,611 for 20,000 square feet, effective Oct 1, 2004).
Estimated Realtor Commission: $1.60 per SF times 8 years (remaining in Lease).
Construction costs for Labelle Street based on 2004/05 budget working papers.

**Ottawa CCAC Operational Review - Accommodation Section**
**Comparing Alternative Lease Arrangements**
**Based on Decentralization to Satellites ( 32,500 Square Footage)**

| 1 **Based on 32,500 SF Total** | Effective Date | SF | Cost/SF | Years | Total Over Lease Period | Av Cost Over Lease Period |
|---|---|---|---|---|---|---|
| **Rent Costs for Labelle Street:** | 01-Apr-03 | 36,953 | $ 33.45 | 9.0 | $ 11,125,098 | |
| Reduction effective Oct 1, 2004 | 01-Oct-04 | (14,953) | $ 33.45 | 7.5 | $ (3,751,334) | |
| | | 22,000 | | | | |
| Estimated Lease Penalty: | 01-Oct-04 | 14,953 | $ 56.23 | 1.0 | $ 840,815 | |
| Estimated Realtor Commission: | 01-Oct-04 | 14,953 | $ 12.80 | 1.0 | $ 191,398 | |
| Estimated Reconfiguration Costs | 01-Oct-04 | | | | $ 100,000 | |
| | | | | | $ 8,505,978 | |
| **Rent Costs for Satellites:** | | | | | | |
| Carlingwood (reduced to actual for 2003/04) | 01-Oct-03 | 2,157 | $ 64.25 | 8.25 | $ 1,143,417 | |
| Kanata | 01-Apr-04 | 2,830 | $ 54.88 | 8.00 | $ 1,242,488 | |
| Orleans | 01-Apr-04 | 2,889 | $ 25.59 | 8.00 | $ 591,448 | |
| South | 01-Oct-04 | 3,000 | $ 35.65 | 7.50 | $ 802,125 | |
| | | 10,876 | $ 43.65 | | $ 3,779,478 | |
| **Additional Telecommunications, for four sites,** | # of months, using above schedule: | | | 381 | | |
| **based on $1,700/month/site:** | | | Cost per Month | $1,700 | $ 647,700 | |
| **One-time Costs:** | | | | | | |
| Actual Cost 2003/04 (3 Sites) | | | | | $ 1,004,079 | |
| Budget Cost 2004/05 (1 Site) | | | | | 200,000 | |
| | | | | | $ 1,204,079 | |
| **Total Costs** | | 32,876 | | | $ 14,137,235 | $ 1,570,804 |

**OCCAC Nov 2003 Business Plan Assumptions:**

| Site: | SF | Cost/SF | Annual Lease |
|---|---|---|---|
| Labelle Street: | 22,000 | $ 32.42 | $ 713,240 |
| Four Satellites | 10,500 | $ 44.64 | 468,702 |
| | 32,500 | $ 36.37 | $ 1,181,942 |

One-time costs acknowledged, but not included in the OCCAC comparative analysis.
Per OCCAC 2004/05 Budget Working Papers:
Lease Penalty: $56.23 per SF ($1,124,611 for 20,000 square feet, effective Oct 1, 2004).
Estimated Realtor Commission: $1.60 per SF times 8 years (remaining in Lease).
Construction and Reconfiguration Costs for Labelle: $100,000 and the South Satellite: $200,000.
One-time costs for 2003/04 based on OCCAC March 31, 2004 Operating Report.

**Ottawa CCAC Operational Review - Accommodation Section**
**Comparing Alternative Lease Arrangements**
**Based on Decentralization to Satellites (27,829 Square Footage)**

| 1 **Based on 27,829 SF Total** | Effective Date | SF | Cost/SF | Years | Total Over Lease Period | Av Cost Over Lease Period |
|---|---|---|---|---|---|---|
| **Rent Costs for Labelle Street:** | 01-Apr-03 | 36,953 | $ 33.45 | 9.0 | $ 11,125,098 | |
| Reduction effective Oct 1, 2004 | 01-Oct-04 | (20,000) | $ 33.45 | 7.5 | $ (5,017,500) | |
| | | 16,953 | | | | |
| Estimated Lease Penalty: | 01-Oct-04 | 20,000 | $ 56.23 | 1.0 | $ 1,124,611 | |
| Estimated Realtor Commission: | 01-Oct-04 | 20,000 | $ 12.80 | 1.0 | $ 256,000 | |
| Estimated Reconfiguration Costs | 01-Oct-04 | | | | $ 100,000 | |
| | | | | | $ 7,588,209 | |
| **Rent Costs for Satellites:** | | | | | | |
| Carlingwood | 01-Oct-03 | 2,157 | $ 64.25 | 8.25 | $ 1,143,417 | |
| Kanata | 01-Apr-04 | 2,830 | $ 54.88 | 8.00 | $ 1,242,488 | |
| Orleans | 01-Apr-04 | 2,889 | $ 25.59 | 8.00 | $ 591,448 | |
| South | 01-Oct-04 | 3,000 | $ 35.65 | 7.50 | $ 802,125 | |
| | | 10,876 | $ - | | $ 3,779,478 | |
| **Additional Telecommunications, for four** | # of months, using above schedule: | | | 381 | | |
| **sites, based on $1,700/month/site:** | | | Cost per Month | $1,700 | $ 647,700 | |
| **One-time Costs:** | | | | | | |
| Actual Cost 2003/04 (3 Sites) | | | | | $ 1,004,079 | |
| Budget Cost 2004/05 (1 Site) | | | | | 200,000 | |
| | | | | | $ 1,204,079 | |
| **Total Costs** | | 27,829 | | | $ 13,219,466 | $ 1,468,830 |

**OCCAC Nov 2003 Business Plan Assumptions:**

| Site: | SF | Cost/SF | Annual Lease |
|---|---|---|---|
| Labelle Street: | 22,000 | $ 32.42 | $ 713,240 |
| Four Satellites | 10,500 | $ 44.64 | 468,702 |
| | 32,500 | $ 36.37 | $ 1,181,942 |

One-time costs acknowledged, but not included in the OCCAC comparative analysis.
Per OCCAC 2004/05 Budget Working Papers:
Lease Penalty: $56.23 per SF ($1,124,611 for 20,000 square feet, effective Oct 1, 2004).
Estimated Realtor Commission: $1.60 per SF times 8 years (remaining in Lease).
Construction and Reconfiguration Costs for Labelle: $100,000 and the South Satellite: $200,000.
One-time costs for 2003/04 based on OCCAC March 31, 2004 Operating Report.

**Ottawa CCAC Operational Review - Accommodation Section**
**Comparing Alternative Lease Arrangements**
**Schedule of Lease Costs for Satellite Offices**

| Site | SF | Rent | Utilities & Cleaning | Total Cost | Cost/SF | Effective Date | One-time | |
|---|---|---|---|---|---|---|---|---|
| Carlingwood (effective Oct 1, 03) | 2,157 | $ 124,796 | $ 13,800 | $ 138,596 | $ 64.25 | 01-Oct-03 | $ 353,195 | actual |
| Kanata (effective Apr 1, 04) | 2,830 | $ 141,511 | $ 13,800 | $ 155,311 | $ 54.88 | 01-Apr-04 | $ 329,322 | actual |
| Orleans (effective Apr 1, 04) | 2,889 | $ 60,131 | $ 13,800 | $ 73,931 | $ 25.59 | 01-Apr-04 | $ 321,562 | actual |
| South (effective Oct 1, 04) | 3,000 | $ 93,150 | $ 13,800 | $ 106,950 | $ 35.65 | 01-Oct-04 | $ 200,000 | budget* |
| | 10,876 | $ 419,588 | $ 55,200 | $ 474,788 | $ 43.65 | | $ 1,204,079 | |

**Source: on-going rent, utilities, and cleaning costs source: OCCAC 2004/05 Budget Working Paper**

 * discussion with OCCAC staff indicated that the set-up costs for the fourth satellite may be somewhat higher than $200,000 included in the budget, and that a potential off-setting expenditure recovery was anticipated. Above schedules were not adjusted.

# Appendix E

## Ottawa CCAC Operational Review - Accommodation Section
## Compare Actual to Budget - One-time Satellite Set-up Costs

| | 2003/04 Budget | 2003/04 Actual | (Over) Under $ | (Over) Under % | Actual Cost/SF |
|---|---|---|---|---|---|
| **Carlingwood: 2,157 SF** | | | | | |
| Design and Construction | $ 88,000 | $ 217,348 | $ (129,348) | | |
| Connectivity* | 45,000 | 39,301 | 5,699 | | |
| Signage | 15,000 | 11,813 | 3,187 | | |
| Design - Intempo | 18,333 | 38,576 | (20,243) | | |
| Furniture & Other | - | 31,468 | (31,468) | | |
| Security | - | 14,299 | (14,299) | | |
| Other | - | 390 | (390) | | |
| | $ 166,333 | $ 353,195 | $ (186,862) | -112% | $ 163.74 |
| **Hazeldean: 2,839 SF** | | | | | |
| Design and Construction | $ 88,000 | $ 238,772 | $ (150,772) | | |
| Connectivity | 45,000 | 41,123 | 3,877 | | |
| Signage | 15,000 | 7,499 | 7,501 | | |
| Design - Intempo | 18,333 | 27,606 | (9,273) | | |
| Furniture | - | 2,570 | (2,570) | | |
| Security | - | 11,752 | (11,752) | | |
| Other | - | - | - | | |
| | $ 166,333 | $ 329,322 | $ (162,989) | -98% | $ 116.00 |
| **Orleans: 2,889 SF** | | | | | |
| Design and Construction | $ 88,000 | $ 214,021 | $ (126,021) | | |
| Connectivity | 45,000 | 41,123 | 3,877 | | |
| Signage | 15,000 | 6,691 | 8,309 | | |
| Design - Intempo | 18,333 | 32,333 | (14,000) | | |
| Furniture | - | 2,569 | (2,569) | | |
| Security | - | 15,142 | (15,142) | | |
| Other: prepaid rent | - | 9,683 | (9,683) | | |
| | $ 166,333 | $ 321,562 | $ (155,229) | -93% | $ 111.31 |
| Total for Three Sites | $ 499,000 | $ 1,004,079 | $ (505,079) | -101% | $ 127.34 |
| Other Costs*: | $ - | $ 111,376 | $ (111,376) | | |
| **Total***: | $ 499,000 | $ 1,115,455 | $ (616,455) | | |

**\* Connectivty costs at Carlingwood were adjusted to include 2002/03 $19,595 expenditure for Mitel.**

**\*\* Other costs include telecommunications and air conditioning update at Labelle Street: $110,280; PC Tablet PC's: $43,652; Logo Design $15,386; and recovery of 2002 tax credit and hydro rebate: $66,378.**

**\*\*\* The over budget was off-set by $853,000 under budget because costs related to lease penalty & realtor fees and Labelle Street retro-fit were delayed because Labelle Street was not leased-out in 2003/04.**

# Appendix E

## Ottawa CCAC Operational Review - Accommodation Section
## Compare Actual to budget - One-time Satellite Set-up Costs

**Compare the Ottawa CCAC Satellite Budget & Actual Costs to MOHLTC Guidelines:**

|  | Carlingwood | Hazeldean | Orleans | Total |
|---|---|---|---|---|
| **Staff based on site maximum** | 15 | 21 | 24 | 60 |
| **Square Footage:** | 2,157 | 2,839 | 2,889 | 7,885 |
| **Design:** | | | | |
| Budget: @ $5.00/SF | $ 10,785 | $ 14,195 | $ 14,445 | $ 39,425 |
| Actual: | 38,576 | 27,606 | 32,333 | $ 98,515 |
| (Over) Under | $ (27,791) | $ (13,411) | $ (17,888) | $ (59,090) |
| **Telecommunications:** | | | | |
| Budget: @ $1,750/Staff | $ 26,250 | $ 36,750 | $ 42,000 | $ 105,000 |
| Actual: | 39,301 | 41,123 | 41,123 | 121,547 |
| (Over) Under | $ (13,051) | $ (4,373) | $ 877 | $ (16,547) |
| **Construction:** | | | | |
| Budget: @ $45.00/SF | $ 97,065 | $ 127,755 | $ 130,005 | $ 354,825 |
| Actual: | 217,348 | 238,772 | 214,021 | 670,141 |
| (Over) Under | $ (120,283) | $ (111,017) | $ (84,016) | $ (315,316) |

**Compare Ottawa CCAC Budget Assumptions to MOHLTC Cost Guidelines:**

| Item | Costing | MOHLTC Guideline | Ottawa CCAC Budget | Actual |
|---|---|---|---|---|
| Design | Per/SF | $ 5.00 | $ 8.33 | $ 12.49 |
| Construction | Per/SF | $ 45.00 | $ 40.00 | $ 84.99 |
| Design and Construction: | Per/SF | $ 50.00 | $ 48.33 | $ 97.48 |
| Add Project Mgt. Fee 4.8%; | Per/SF | $ 2.40 | $ - | $ - |
| Total Design and Construction | Per/SF | $ 52.40 | $ 48.33 | $ 97.48 |
| Telecommunications: | Per/Staff | $ 1,750 | $ 2,250 | $ 2,026 |

**Comments:**
**Per above analysis, the CCAC budget was for design and construction was consistent with
MOHLTC guideline (about $4.07/SF below MOHLTC guideline). However the actual costs
for design and construction at the three satellite offices came in about $43,516 and
$406,000 respectively over the CCAC budget. The cause of the over budget can be
attributed to acquiring an additional 1,285 SF ($62,100) and $49.15 more per cost/SF to do
the satellite retro-fit work ($387,500) at the three sites.
The CCAC telecommunications budget was about 28% over the MOHLTC guideline,
however the CCAC actuals came in $13,453 under CCAC budget.
Signage costs also came in $18,997 under CCAC budget.
The satellite project set-up costs were also over because the CCAC did not budget for
additional furniture, security and other costs of about $87,873 (approx 17% of budget).**

**Ottawa CCAC Operational Review - Accommodation Section**
<u>**History of Administration and One-Time Costs**</u>

| | Budget | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2001/02** | | **2002/03** | | **2003/04** | | **2004/05** | |
| **Administration Costs** | **$** | **%** | **$** | **%** | **$** | **%** | **$** | **%** |
| Annual | $ 5,694,088 | 7.4% | $ 6,719,452 | 8.6% | $ 5,908,780 | 7.4% | $ 6,133,669 | 7.7% |
| One-time | 55,000 | 0.1% | - | 0.0% | 1,352,000 | 1.7% | 2,180,611 | 2.7% |
| | $ 5,749,088 | 7.5% | $ 6,719,452 | 8.6% | $ 7,260,780 | 9.1% | $ 8,314,280 | 10.5% |
| | | | | | | | | |
| Total Budget | $ 76,754,552 | 100% | $ 77,860,699 | 100% | $ 79,542,198 | 100% | $ 79,542,199 | 100% |

| | Actual | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | **2001/02** | | **2002/03** | | **2003/04** | | **2004/05** | |
| **Administration Costs** | **$** | **%** | **$** | **%** | **$** | **%** | **$** | **%** |
| Annual | $ 5,537,364 | 7.3% | $ 6,390,643 | 8.5% | $ 6,066,137 | 7.5% | | |
| One-time | 1,644,429 | 2.2% | 3,526,375 | 4.7% | 2,473,835 | 3.1% | | |
| | $ 7,181,793 | 9.4% | $ 9,917,018 | 13.2% | $ 8,539,972 | 10.5% | | |
| | | | | | | | | |
| Total Budget | $ 76,071,347 | 100% | $ 74,909,128 | 100% | $ 81,018,188 | 100% | N/A | N/A |

**Note**: Above information was provided by OCCAC Staff, to show comparative costs after adjustment for staff transferred to/from Admin, and all one-time costs separately. OCCAC 2004/05 one-time budget information was adjusted by the Ministry to reflect full cost of the lease surrender costs: $1,124,611 (removed 1/5th plus interest provision of $132,026).

**Note**: the 2003/04 actual excludes the severance for the therapy contract.

**Note**: The OCCAC includes PC Info Systems under Patient Care when reporting to the Board. Under M.I.S. reporting to the Ministry these costs are reported as part of Administration, and the OCCAC reports them this way in their budget and actual reports to the Ministry. The table below outlines the additional impact on percentage administration budget costs .1% - .2% (annual).

| | **2002/03** | | **2002/03** | | **2003/04** | | **2004/05** | |
|---|---|---|---|---|---|---|---|---|
| **PC Info Systems:** | **$** | **%** | **$** | **%** | **$** | **%** | **$** | **%** |
| Annual | | | $ 220,782 | 0.3% | $ 118,427 | 0.1% | $ 125,000 | 0.2% |
| One-Time | | | 5,000 | 0.0% | 5,000 | 0.0% | 500,000 | 0.6% |
| | N/A | N/A | $ 225,782 | 0.3% | $ 123,427 | 0.2% | $ 625,000 | 0.8% |

**Note**: It's worth noting that while annual administrative costs in total have increased by approx. $.5M since 2001/02, that the OCCAC has experienced increasing cost pressures of at least $1M as outlined below. During 2001/02 - 2004/05, the OCCAC has held annual administration costs as a average percentage of budget to about 7.8% (both actual and budget admin. costs).
Annual Cost Pressures:
| | | |
|---|---|---|
| 1.  annual occupancy costs increased when previous lease arrangement ended: | $ | 800,000 |
| 2. LTD costs increased by approx. $800,000 (20% to administration cost centre) | $ | 160,000 |
| 3. Pension costs increased as the premium holiday was phased out: approx. $500,000 (20% to Admin.) | $ | 100,000 |
| | $ | 1,060,000 |

**Listing of One-Time Costs:**

| | Actual 2001/02 | Actual 2002/03 | Actual 2003/04 | Budget 2004/05 |
|---|---|---|---|---|
| Salary Continuation and Voluntary Incentive | $ 1,016,840 | $ 658,803 | $ - | $ - |
| Office Relocation/Satellite Costs | 454,785 | 379,775 | 1,095,860 | 300,000 |
| Lease Surrender Costs | - | 572,291 | - | 1,380,611 |
| Computer/Communication Equipment | 104,978 | 420,183 | - | - |
| Computer Software/ICMS | - | 462,651 | 1,377,975 | 500,000 |
| Legal and Consultants | 67,826 | 503,018 | - | - |
| Other Items | - | 529,653 | - | - |
| | $ 1,644,429 | $ 3,526,374 | $ 2,473,835 | $ 2,180,611 |

**Appendix G**

**POLICY AND MINISTRY PROCESS ISSUES
(RAISED BY PEOPLE INTERVIEWED DURING REVIEW)**

- Gaps in ADP funding (e.g. some assessments) and slowness of ADP approval process.
- RAI-HC takes too long for elderly and frail clients to sit through. Also, it doesn't work well for clients with dementia.
- Need provincial policy guidance for assigning priorities for home care service, given waiting lists.
- Late approval of CCAC budgets causing in-year fluctuations in funding for client services.

## Appendix H

## BIBLIOGRAPHY  (Governance Section)

Arrington, B. "Continually Improving Governance" *Hospital and Health Service Administration* 40:1, 1995.

Bader, Barry S.  *Five Keys to Building an Excellent Governing Board.*  Rockville, MD: Hospital Trustee Association of Pennsylvania and Bader & Associates, 1991.

Ball, Ted.  *Politics and Governance in Integrated Health Systems: Community Value vs. Provider Power: The Driving Forces in Health System Restructuring.*  Quantum Solutions, 1995.

Brown, David, Debra Brown and Kimberly Birkbeck.  *Canadian Directorship Practices, 1997: A Quantum Leap in Governance,* Ottawa, Conference Board of Canada, January 1998.

Canadian Council on Health Services Accreditation. *Board Restructuring,* 1997.

Canadian Imperial Bank of Commerce, *Financial Review of 192 Ontario Hospitals.* September, 1997.

Caldwell Partners Amrop International.  *Governance of Hospitals in Canada: A Power Struggle.* A Survey of Corporate Executive Who Serve as Hospital Trustees, 1992.

Carver, J. *Boards that Make a Difference.  Jossey-Bass,* 1990.

Casalou, Robert F.  *"*Total quality Indicators Should Emphasize Outcomes" *Dimensions in Health Service,* pp. 9-10, Spring 1991.

Cawsey, T.F. & D.E. Graham.  "Quality and Governance in Hospitals, " July 1995. Paper on Internet.

Centre for Quality Governance.   "The Three Most Important Criteria for Good Governance." *Board Talk,* Spring 1996.

Chait, R.P. & B.E. Taylor, "Charting Perspectives on Hospital Governance." *Harvard Business Review,* Jan-Feb, 1989.

Chenoy, No. C. and D.R. Carlow.  "Changing Perspectives on Hospital Governance." *Health Care Management Forum* 6 (1): pp. 4-9, Spring 1993.

Conger, Jay, Edward Lawlor and David Finegold, *Corporate Boards: New Strategies for Adding Value at the Top,* McGraw-Hill, 2000.

Dumbrille, S. "The Meaning of the Hospital Governance." *Hospital Perspective,* 1994.

Hastings, John R and Steven McCarthy. "Quality Control for the Board of Directors." *Leadership in Health Services.* pp 27-34, March/April 1992.

Houle, Cyril O. *Governing Boards.* Jossey-Bass Management Series, 1989.

Kaplan, Robert S. and David P. Norton. "Putting the Balanced ScoreBoard to Work." *Harvard Business Review,* pp. 134-147, Sept/Oct 1993.

Kotter, John P. *Leading Change.* Harvard Business School Press, 1996.

Leighton, David and Donald Thain, *Making Boards Work: What Directors Must Do to Make Canadian Boards Effective*. McGraw-Hill Ryerson, 1997.

Mogford, M.,K. Campbell. G. Wolff, and N. Smith. Report of the Task Force on board Operations. Trent University, June 1998.

Nordal, C.A. "Quality and Performance Reporting: A Governance Perspective." *Canadian Journal of Quality in Health Care* 11 (1): pp. 4-11, March 1994.

Ontario Hospital Association. *Today's Trustee, Current Information for the Informed Hospital Board Member, 1995.*

Ontario Hospital Association. *Guidelines for Hospital Boards.* May, 1993.

Orlikoff, James E. "Trouble in the Boardroom: The Seven Deadly Sins of Ineffective Governance" *Healthcare Forum Journal,* July/August, 1997.

Pointer, Dennis and James Orlikoff, *Board Work: Governing Health Care Organizations,* Jossey-Bass, 1999.

Panel on Accountability and Governance in the Voluntary Sector. *Building on Strength: Improving Governance and Accountability in Canada's Voluntary Sector,* Ottawa, Final Report, February, 1999.

Quigley, Maureen A. *The Selection and Composition of Board and Directors: The Challenge of Governance in Turbulent Environment.* Maureen Quigley and Associates, 1996.

Richard Ivey School of Business, University of Western Ontario. *Leading the Management of Change: A Study of 12 Ontario Hospitals.* September 22, 1997.

Scharf, M., Dick, M. And J. Barnslev. "Board Evaluation and Effectiveness: Models, Components and Perspectives." *Leadership* 3(1): pp. 34-37, 1994.

Sinclair, Duncan. *Hospital Restructuring: The Changing Face of the Hospital Sector.* 1996.

Sinclair, Duncan. "The Contemporary Hospital Board: What it Is and What it Do?". *Health Law in Canada,* November, 1996.

St. Joseph's Health Care System. *Roles and Responsibilities of the Board of Directors and the Board of Trustees,* December, 1996.

Taylor, Barbara, Richard Chait & Thomas Holland. "The New Work of the Non-profit Board, *Harvard Business Review,* September-October 1996, pp 36-46.

Toronto Stock Exchange Committee on Corporate Governance. *Where Were the Directors?  Guidelines for Improved Corporate Governance in Canada,* Toronto, December 1994.

Toronto Stock Exchange, Canadian Venture Exchange and Canadian Institute of Chartered Accountants. "Beyond Compliance: Building a Governance Culture," *Interim Report of the Joint Committee on Corporate Governance,* March, 2001.

Toronto Stock Exchange and Institute of Corporate Directors. *Report on Corporate Governance, 1999: Five Years to the Day,* Toronto, 2000.

United Way of Canada . *Board Basics.* Ottawa, 1996.

U.S. National Association of Corporate Directors, 1999 *Corporate Governance Survey,* February, 2000.

Verlan, Liz. *Integrated Health Systems: A Common Sense Approach to Reinventing Human Services in Ontario.* Quantum Solutions, 1995.

Voluntary Sector Roundtable. *Helping Canadians Help Canadians: Improving Governance and Accountability in the Voluntary Sector,* Ottawa, May 1998.

# Appendix I

**GLOSSARY**

Board:  the Board of Directors of the Ottawa CCAC

CCAC:  Community Care Access Centre

CHIP:   Chemotherapy Home Infusion Program

CSR:  Client Services Representative

C3:   Community Care Connects (a project led by CCACs to help standardize information systems across CCACs)

E.D:  Executive Director (of the Ottawa CCAC)

Government:  The Government of Ontario

ICMS:  Integrated Care Management System – a recent OCCAC project

IT:  Information Technology

Ministry:  Ministry of Health and Long-Term Care (MOHLTC)

MOHLTC:  as above

MIS:  Information system used by CCACs to provide reports to the Ministry

OCCAC:  Ottawa Community Care Access Centre

OACCAC:  The Ontario Association of Community Care Access Centres

OASIS:  an information system currently used by the OCCAC to assist with ordering services and reconciling invoices

PARIS:  the name of a software package purchased by the OCCAC to support case management

PWC:  PriceWaterhouseCoopers (consulting firm that did a baseline assessment report for the OCCAC)

RAI-HC:  An assessment tool, required by the Ministry, to be used by case managers when doing assessments to ensure the best possible service plans.

RFP:  Request for Proposal – used for obtaining proposals from service providers who wish to have contracts with the CCACs.

**Appendix J**

**Catalogue of Working Papers**

This Appendix contains a list of Working Papers used by the Review Team to gather information for the review. Documents are listed under the Section Heading of the Report to which they relate. To limit the size of the final report, only the titles of the documents are provided. Copies of the documents are available on request as set out below.

**Management Review**

Questions for Executive Director

Questions for people interviewed from outside the CCAC

**Client Services**

Selection of Case Managers to be interviewed and selection of Charts for review (Methodology only)

Questions for Directors of Client Services

Questions for Managers of Client Services

Questions for Case Managers (Community Caseload)

Questions for Case Managers (Hospital)

Questions for Case Managers (Placement)

Questions for Client Services Support Staff

Outline for final on-site meeting with Case Managers

Client Record Review Form

**Procurement and Contract Management Report**

Questions re Procurement and Contract Management

**Governance**

Bibliography

**Accommodation**

Comparison of Alternative Lease Arrangements

**Finance**

Funding Summary

Copies of the above documents may be obtained by submitting a request as follows:

| By Mail: | By Telephone: | By Facsimile: |
|---|---|---|
| Ms. Myrna Anderson,<br>Regional Director's Office<br>East Region, MOHLTC<br>10 Rideau Street, 8<sup>th</sup> Floor<br>Ottawa ON  K1N 9J1 | (613) 569-5602<br>1-877-779-5559 | (613) 569-9670 |