

Community Employers, Person Centred Care and Individualised Funding

Report Overview and Major Findings

This document provides a brief overview of the findings reported in the recent research publication developed by the Curtin Not-for-profit Initiative (Curtin) ¹ in conjunction with Community Employers Western Australia (CEWA).²

The study examined the intended and unintended consequences likely to arise as a result of changing funding and client service delivery arrangements in the context of Individualised Funding (IF) and Person Centred Care (PCC) in the Human Services Sector. These terms mean different things to different people but, in this report, we have adopted a general definition of IF as the placing of purchase decisions with the user while PCC has generally been defined as users having decision making capacity with regard to support design, timing and frequency. Both concepts are intended to ensure better quality services of the type and quantity prioritised by the user.

The research incorporated informal interviews, a literature review, a web based survey and focus groups. Five interviews with senior Human Services personnel and CEWA board members were conducted during the period October 2013 to January 2014. The literature review focused on three Anglophone jurisdictions being Canada, the United Kingdom (Scottish and Welsh reports were separately identified but included in the literature review), and the Republic of Ireland. The results and a synopsis of this review and other findings are available in the full report. The Curtin Ethics Approval Number for this project is ACC-06-14.

The survey was in the field from 3 April to 29 May 2014 and was promoted through LinkedIn and by CEWA representatives. In total, representatives from 31 organisations completed part or all of the questionnaire. This aspect of the study returned a low response rate probably due to the sector being over-researched. Three focus groups were conducted, one each on 23, 24 and 25 May 2014. These were attended by a total of 17 senior executives from organisations that are CEWA members. The majority of participants represented organisations operating in the social services sector, mostly in disability services.

Generally, it was found that there are a number of risks associated with the introduction of IF and PCC. These are identified as either implementation risks or ongoing challenges. Due to the poor response rate associated with the survey and the fact that focus group participants self-selected, these results are not able to be extrapolated across the entire Human Services Sector. However, by and large, they do tally with the findings of the literature review. The major findings are provided in the table below.

¹ Readers should note that this document does not represent the report, evidence of major findings and is only a summary document designed to introduce the report. As such, readers should consult the full report before quoting or acting on any aspect provided herein.

² Citation Information: Gilchrist, D. J. and P. Knight, *Community Employers Person Centred Care and Individualised Funding – Final Report*. A joint report undertaken with Community Employers WA, Perth, September 2014.

Implementation Risks:

1. There is likely to be consolidation within various parts of the Sector as a result of:
 - a. Increasing costs of service delivery resultant from governance, user recruitment and service delivery changes;
 - b. An inability to undertake the change management process due to lack of capital and capacity;
 - c. A need to reduce administration costs in context of increased administration complexity leading to back office sharing arrangements and other bureau-type arrangements resulting in aggregation of service providers; and
 - d. A likely to significant proportion of users employing support staff directly and, thereby, decreasing the income generation opportunities for support service organisations.
2. This consolidation needs to be supported by the provision of funding to organisations in order to allow for organised and methodical planning and transfer of human resources and users from the exiting organisation to a continuing organisation(s).
3. The implementation of Person Centred Care and Individualised Funding constitutes a significant change management process that requires financial resourcing and leadership capacity that, by and large, may not be present in most Human Services organisations currently.
4. Person Centred Care and Individualised Funding arrangements are unlikely to be workable in remote and regional areas or where there is a very thin market for a particular service, even in capital cities.³
5. Many organisations are still either in the very initial stages of considering their response or have yet to commence.
6. Capital is required to facilitate the necessary change.

Ongoing Challenges:

1. International evidence suggests that the adoption of these arrangements will likely increase the ongoing costs of operation for service providers.
2. International evidence also suggests that the goals of users under Person Centred Care are in practice less likely to be achieved as a result of bureaucratic process.

³ See for instance Gilchrist, D. J. and S. R. Bywaters, *The Reality of Geography: Northern Territory Disability Costs, Prices and the National Disability Insurance Scheme – Final Report*. A Report for National Disability Services and the Northern Territory Government, Darwin, July 2014.

3. Users and their natural supports are likely to be placed in positions of vulnerability due to the increasing opportunity for direct employment of carers which means that they will have to meet the attendant administrative and regulatory requirements.
4. Most organisations taking part in the study reported that they are concerned that current industrial arrangements prevent them from responding effectively to the changes.

Of course, Individualised Funding and Person Centred Care are also central to the Western Australian Government's Delivering Community Services in Partnership Policy and the Commonwealth Government's National Disability Insurance Scheme. Additionally, aged care organisations have been subject to similar frameworks. Importantly, not all community service organisations are affected by the introduction of Person Centred Care and Individualised Funding, and some will be more affected than others.

Our research indicates that community employers believe the most significant and challenging aspects of change to be faced relate to the need to shift staff assumptions, attitudes and behaviours (often described as "culture") to ensure that organisations deliver services that meet users' expectations and do so in a way that is sustainable.

As such, CEWA advocacy might best be aimed at:

1. Securing the resources necessary to support the change management process;
2. Securing the resources necessary to support an orderly exit from Human Services delivery by organisations choosing to 'opt out';
3. Achieving flexibility in the workforce while acknowledging the need to preserve sustainable working conditions in order to reduce adverse recruitment and retention outcomes; and
4. Informing the Sector with respect to the substance of the change caused by the implementation of Person Centred Care and Individualised Funding and identifying elements that ought to be considered in order to allow individual organisations to negotiate the changes or to decide to 'opt out'.

Overall, the advent of Person Centred Care and Individualised Funding represents challenges across the Human Services Sector in Australia which will likely mirror the experiences of organisations in the Anglophone world. Major findings of the research are summarised in the following two pages and the full report is available at:

Curtin Not-for-profit Initiative: Professor David Gilchrist, Director Curtin Not-for-profit Initiative

<http://business.curtin.edu.au/courses/accounting/research/public-sector-and-not-for-profit-research.cfm>

Community Employers Western Australia: John Bouffler, Executive Director CEWA

<http://cewa.org.au/documents/>

Table - Major Findings

Finding	Resultant From:		International Evidence
	PCC ⁴	IF ⁵	
Direct Impact on Services Users:			
Overall increased focus on client needs expected	✓	✓	
Understanding of PCC not necessary full (i.e. “We have always been Person Centred”)	✓		
Group Homes – Balancing needs of the individual with those of the group	✓		✓
Group Homes – Balancing funding and operational requirements (e.g. 24/7 Support requirements)		✓	✓
Supervision of the decision making process to avoid staff-led decision making	✓		✓
Supervision of decision making process to avoid budget-driven decision making		✓	
Clinical risk faced by service providers and a dissonance between clinical requirements and user’s desires	✓		✓
Major change management process – client service delivery structures	✓		
Impact on Service Provider Sustainability			
Major unfunded change management process		✓	
Financial sustainability risk		✓	
Increased direct employment practiced by users		✓	✓
Controlled ‘Pipeline’ channelling users to providers via funding agencies introduces further risk	✓	✓	✓
Cash flow risk		✓	
Service types may be reduced in order to meet viability requirements	✓	✓	
Sustainability of remote service delivery may be jeopardised by IF		✓	
Financial impacts associated with “Did Not Attends” / “No Shows”		✓	

⁴ PCC - Person Centred Care

⁵ IF – Individualised Funding

Finding	Resultant From:		International Evidence
	PCC ⁴	IF ⁵	
Capital required to establish IT solutions and develop and implement change management processes		✓	
Increased training costs associated with the introduction of new IT communications, planning and data collection solutions		✓	✓
Where providers opt out of providing services funded under the PCC and IF arrangements, the orderly closing down of service provision and the transfer of staff to continuing providers will require capital funding and co-ordination at a Sector level	✓	✓	
Industrial Impact			
Entry of self-employed carers and user employed carers has meant that remuneration levels have fallen		✓	✓
Increased numbers in part-time and casual staff	✓	✓	✓
Staff need to be employed on more flexible terms	✓		✓
Staff work preferences likely to increase recruitment and retention problems (e.g. in the case of schools hours work requirements; younger staff wanting more paid hours)	✓		✓
Staff recruitment and retention may return to pre-WA Economic Downturn position	✓		
Management of Quality			
Greater focus on identifying, measuring and reporting on outcomes	✓		✓
Infrastructure (especially IT platforms and data collection devices)		✓	✓
More structured and auditable quality management system	✓	✓	✓
Innovation required in training part-time and casual staff and capital required to delivery more training	✓	✓	✓
Quantity of services provided may be cut as a result of increased administrative costs	✓	✓	✓