Children's Mental Health Ontario
Santé mentale pour enfants Ontario

CYMH Funding Allocation Model: Remaining Considerations

Introduction

Children's Mental Health Ontario (CMHO) and its members—child and youth mental health (CYMH) agencies who deliver essential mental health services throughout Ontario—appreciate the Ministry of Children and Youth Services' (MCYS) work on developing a new funding allocation model, and we appreciate being included in the consultation process. We know this is a challenging project and are optimistic it can be part of meaningful change within the sector. We have raised considerations we hope will be helpful as MCYS continues its work on refining the model.

We have also identified key issues which present significant barriers to the model's impact. There is insufficient resourcing in the CYMH sector. And there is a lack of data to support strategic investment. While the model aims to assess community need for CYMH services and allocate funds accordingly, this goal will not be achieved in the absence of both additional funding and data to inform funding decisions. Even if the model is—as a model—exceptional, it will not be able to create greater capacity in a sector that is overburdened and under-resourced.

While we encourage the continued work on this model, we would be remiss to not highlight that key foundational issues must be overcome if we want to the model to promote meaningful change in transforming the system.

Background

Based on the information shared by MCYS to date, we are optimistic that the new funding model will potentially be aligned with many of the recommendations from CMHO's 2014 position statement, such as:

- Ensuring consistency in how services are funded;
- Basing funding on community need (across a range of indicators of "need");
- To some extent, consideration of both client volume and agency activities in determining funding;
- Evaluation of the model on an ongoing basis; and,
- Flexibility in how funding is distributed year-to-year, while also ensuring reliability for multi-year planning.

Still, there remain significant considerations that require attention.

Foundational Considerations

Re-Distribution in an Under-Funded Sector

A funding allocation model should assess how many children in a service area need mental health care; what level of treatment intensity they need; what range of services are necessary; and what level of service consumption they require. The level of funding deployed to a service area should be based on the cost of delivering high-quality, evidence-informed treatment, commensurate with those required services, recognizing regional cost differences. **Funding allocation should be based on community need for services, and the resources needed to deliver strong outcomes.**

This is not how our system has historically been funded, however. And even in the new model, allocations will not be determined based on what resources are required to deliver services commensurate with the needs of children, youth, and families in each service area. Rather, since there is no additional funding tied to the implementation of the new model, funding will be based on the needs of service areas relative to each other.

If there is any redistribution of funds—which is the presumptive outcome of the implementation of this funding allocation model—some service areas will begin to receive funding above their current levels, and other service areas will receive less funding than they previously had (corresponding to the gains in other areas).

In a sector that lacks sufficient resources—where every service area would likely report having insufficient funding and where current funding often already does not meet the high acuity needs of many of the clients served—this is problematic. It means that some service areas that are currently under-funded will be under-funded to an even greater degree. These service areas, and the core service providers within, may have no choice but to decrease service levels to meet the lower level of funding. Should they attempt to deliver the same level of services, quality would surely suffer. (Notably, whether complete implementation of Program Guidelines and Recommendations #01 can even be achieved within the current funding context is not yet clear).

Neither option is acceptable and either would result in significant challenges on the ground, in communities. **This rationing of funds will lead to destabilization in a sector that is built on an already shaky foundation. To ensure communities are more appropriately funded based on need, there must be new investment.**

Data Collection, Outcome Measurement, and Quality Assurance

It is widely agreed upon that there is insufficient data in the CYMH sector, and that the data we have is unreliable to use as an input into funding decisions. As such, certain model variations presented during the consultations (e.g., models one and three, which to some extent are based on the proportion of services delivered provincially) would prove challenging. While some data collection, evaluation and quality assurance efforts are funded within the context of the 13 performance indicators and eight key processes, they do not provide a complete picture of community need. Additionally, this data only provides information on clients—it does not capture information on all those individuals who need mental health treatment, but do not access services for various reasons.

We understand it can be challenging for government to invest in this sector in the absence of the necessary data and information about what investments would be strategic. But, to deliver the sort of data needed to inform such decisions, service areas and agencies need additional resources dedicated data collection and analysis. **We urge MCYS to work with service providers to develop the necessary infrastructure for collecting and reporting on data related to acuity, complexity and intensity of services needed, and to support research, evaluation and outcome measurement.**

Model Considerations

Mechanisms

Indicators

Certain indicators that had been under consideration for inclusion in the funding model—such as the presence of mental health challenges, child development and family capacity, and exposure to violence and trauma—have now been excluded. The reason for this is the lack of data sources that would allow us to measure regional variation.

Without regionally differentiated data to serve as inputs, government is unable to assess the relative needs of different service areas based on these factors. However, the lack of data in these regards should move us to explore how we can develop mechanisms to track this information, since we know they are critical indicators of community need.

Efficacy

There is no consideration in any of the current potential models of how funding could be based on the delivery of models of care that have been proven to be effective. Again, one of the barriers to doing so is the lack of reliable data and information (including costing information) that would allow for such decision-making. In the hospital sector, Quality Based Procedures (QBP) incent the use of evidence-informed practices. Likewise, consideration should be given to exploring opportunities for incenting the use of evidence-informed practice through this funding model.

Inflation

Since 1992, there have been two base funding increases for CYMH agencies: 3% in 2003 and 5% in 2006.[1] But since 1992, inflation has risen by nearly 53%.[2] In that time, demand for CYMH services has significantly increased (by CMHO's estimates, in recent years, demand has increased by 10% annually[3]). This means that over the last 25 years the sector is, in effect, receiving significantly fewer resources to serve a growing number of clients.

The problem comes into focus particularly when considering staff compensation. Consistently underpaying staff, and being unable to offer remuneration increases, even just commensurate with the increase in costs of living over time, does not promote employee wellness or satisfaction; it does not encourage them to stay and seek out training opportunities to improve their skills as part of building long careers at our agencies. It makes it very challenging to retain staff who can find work in other sectors where they can reap such benefits. It is not an effective strategy for ensuring the delivery of consistent, high-quality treatment. Some agencies have opted to pay cost of living adjustments to their staff, which has resulted in a reduction in service levels, leading to even longer wait times for services. Building an inflation adjuster into the funding model would help address these issues going forward.

Cost of Delivering Intensive Treatment

In models one and three presented at the September consultations, funding allocation is partially based on share of provincial services delivered; in a sense, the funds are following patients wherever they seek care. However, it is unclear if the new funding model is likely to account for the various *types* of services that agencies are delivering. This is particularly relevant in the case of residential treatment. Residential treatment is very expensive to deliver, and is provided to a relatively small proportion of youth. If the funding model does not acknowledge where such treatment is being delivered, there is a financial incentive for an agency to remove these services, and instead focus on less expensive services that allow them to treat more youth within the funding they receive, to demonstrate high service levels. While, in many cases other intensive treatment options—like in-home treatment or extended day treatment—are clinically preferable and more cost-effective, there are also many cases where residential treatment is clinically necessary or the best clinical option. We must ensure that residential treatment remains available to those who need it.

Further, as more agencies move to delivering alternative intensive treatment options in lieu of residential treatment, the remaining residential treatment agencies will likely receive a small but notable influx of clients from other communities, and in some cases, other service areas. (And it has been emphasized by the Ministry that "Service areas are not barriers to service – families can get help from any service area, regardless of where they live."). It will be important that the funding model is sensitive to these shifts, such that certain service areas are not being increasingly

[1] Children's Mental Health Ontario (2010). Towards a Sustainable Future: Working Together to Transform Ontario's Child and Youth Mental Health System - Part 1. www.kidsmentalhealth.ca/documents/res-towards-a-sustainable-future.pdf
[2] Based on the Bank of Canada's inflation calculator: http://www.bankofcanada.ca/rates/related/inflation-calculator/
[3] Children's Mental Health Ontario (2015). Pre-Budget Submission. www.kidsmentalhealth.ca/documents/CMHO-PreBudget-Submission-2015-16.pdf

burdened without additional support as they receive more clients in need of residential treatment. Conversely, if service areas are losing clients who are seeking residential treatment elsewhere, it will be important that these service areas are not subject to the risk of having funding that is so substantially decreased (as funds potentially follow patients to other service areas), to the point where the financial health of the service area is threatened.

The fixed and substantial costs inherent in the provision of residential treatment will create a significant constraint on the implementation of a funding model that is flexible in the described ways. As such, it should be considered whether it is more appropriate to fund residential treatment separately (also funded based on community and regional need).

Cross-Sectoral Factors

Supporting Families

CYMH agencies provide treatment to entire families—including adults—as part of the treatment of children and youth. This means there are fewer dedicated resources directed *specifically* to children and youth than it appears. It is important to collaborate with the Ministry of Health and Long-Term Care (and potentially other Ministries) in considering how to fund services being delivered to adults within CYMH agencies, so that the already limited dollars being directed to CYMH services are not lost. Additionally, in some agencies, many clients are young parents or expectant mothers who are not only facing significant mental health challenges themselves, but whose infants are at high risk for adverse childhood experiences, which will impact the foundation of their mental health throughout their lives. The model should reflect that CYMH agencies provide support not just for children and youth, but for families.

Community Partners

Pressure and demand placed on a given CYMH agency is, partly, contingent on other available services for children and families in the community. If there aren't services or certain supports available to adults, this may indirectly increase pressure on CYMH agencies in a variety of ways. Additionally, the formula is not being developed with consideration for how funding formulas in other sectors—for example, in hospitals and in children's aid societies—could impact community need in a service area. The new integrated funding bundles to promote hospital/community integration provide a useful example. The new model should account for other sectors and services in these ways.

Additional Considerations

Cultural and Regional Diversity

We are pleased that the new model will capture various elements of diversity throughout the province. Our members have highlighted that in areas that are designated as Francophone communities, they have faced the need to provide French-language services—recruiting staff with the skills to provide the necessary translation and interpretation services—without any additional funding to do so. The new model should be accommodating to such demands. In general, funding needs to be responsive to the diverse and unique needs of various populations within each service area. Similarly, the model must reflect other factors that impact the cost of delivering services, like rurality, cost of living, and the need to travel a considerable distance to receive or deliver treatment.

Addictions and Substance Abuse

Though substance use and abuse problems are prevalent among youth, the work that is being done on the funding

model is being pursued without regard for this issue. As an example, MNP's "Community Need Definition Summary Report" scarcely mentions addictions or substance abuse. This is consistent with the historical lack of funding for addictions and substance abuse in our sector, despite the prevalence of concurrent addictions and mental health issues among youth. It is important to find a way to factor this issue into the funding allocation model.

After Care

An ongoing problem in the funding of CYMH services is that agencies are not funded to dedicate resources to after care. CYMH agencies become the trusted adult allies for youth, but lack the resources to continue those relationships to ensure treatment gains are not lost when they are discharged. Likewise, there is insufficient funding for pre-crisis services to help families avoid the situations that require the most intensive treatment.

Youth in Transition

It has been made clear that the implementation of this new funding model will not represent an opportunity to change the age of youth who are eligible to access CYMH services. The current state leaves agencies with an unenviable decision: to firmly resist providing services to anyone who has reached their 18th—leaving those already vulnerable youth in a precarious situation when access to adult mental health supports are not immediately available, which they rarely are. Or providing care to these individuals without the mandate or resources to do so. Even if this topic is not in consideration within the context of the new model, its incumbent upon us to highlight this as a significant issue. National research and policy work highlights the importance of understanding transitional years for emerging adults as spanning 16-25.[4] Consideration needs to be given to moving toward aligning with this research.

Implementation

In our 2014 position paper, we identified that one of the most significant factors in the potential success or failure of the new funding model will be effective implementation in collaboration with service providers. We strongly recommend that there will be continued consultations with service providers, specifically on implementation.

Conclusion

We appreciate MCYS' work on a new funding allocation model. As noted, we acknowledge and value that many of the issues we have previously raised have been taken into consideration. And we hope the issues raised in this brief paper with respect to the prospective model itself will be helpful and improving the model further.

However, this exercise has helped to illuminate that the model itself can only do so much work. There are fundamental issues in how the CYMH sector is resourced that will render the model ineffective in helping to enable the CYMH sector to better meet community need. Without investment in base funding to allow agencies to deliver the treatment that is needed and without the data that will inform and direct investments, we will continue to fall far short of what we require to meet the needs of children, youth, and families. Even the best funding allocation model will not get us there.

[4] Mental Health Commission of Canada (2015). Taking the Next Step Forward: Building a Responsive Mental Health and Addictions System for Emerging Adults. www.mentalhealthcommission.ca/sites/default/files/Taking%252520the%252520Next%252520Step%252520Forward_0.pdf