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Abstract

ACROD NSW published this paper in 1992 to raise issues about the Consumer Focused Funding Approach (CFFA), touted as empowering individuals. ACROD states that empowerment of individuals is a principle in itself and does not necessarily equate with the CFFA. The paper stresses that CFFA is **not** brokerage. It also discusses other existing or possible problems for service users such as consumer choice, advocacy and adequacy of financing. Problems for service providers include economic viability and complexity of guidelines. ACROD recommends further research and development of this option. **Keyword: Individualisation**



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Issues paper on

CONSUMER FOCUSSED FUNDING
APPROACH

and

INDIVIDUAL NEEDS ANALYSIS

CONSUMER FOCUSED FUNDING APPROACH

ACROD NSW supports the concept of empowerment of consumers including the right to exercise choice and to have mobility between services. ACROD NSW also recognises the need to have ongoing improvement of service quality

However, ACROD NSW believes that "consumer empowerment" is a principle in itself and does not necessarily equate with the Consumer Focused Funding Approach (CFFA). There are many problems inherent in the Consumer Focused Funding Approach and until they are resolved ACROD NSW feels that the model, as currently proposed by the Department of Health Housing and Community Services (HI-ICS), is unacceptable.

WHY ARE WE ALL SO CONFUSED ABOUT QFFA?

One can not help but be confused when there has been a lack of information on CFFA from the government. Many people have assumed that CFFA is the same or very similar to the brokerage model which is operating in Canada.

CFFA is not brokerage. Many people did not get access to a HI-ICS discussion paper produced in late 1990 titled "An Individualised Funding Approach for the DSK where this was clearly spelt out.

"While the department is aware that there is increasing interest in service brokerage, it is not convinced of the value of this model of service delivery, especially as it results in unnecessary additional administrative effort".

One starts to become confused when in a later discussion paper produced by HI-ICS in April 1991 they state - There have been a number of calls from disability groups in recent years for funding to be directed to individuals. The commonly sought model of these groups is for funds to be allocated directly to individuals, or alternatively to a "brokerage" agency, who then assists the person concerned to purchase the supports required. Such a model separates the funding source, assessment, service selection and service provider functions.

While the approach is attractive from a consumer empowerment perspective, it would be an ambitious change for the programme in the short term. The Consumer Focussed Funding Approach is being introduced within the Disability Services Programme as a necessary first step along that path "

This statement implies that CFFA is the first step towards brokerage, a model that less than 6 months ago had been rejected as it is not convinced of the value of this model of service delivery, especially as it results in unnecessary additional administrative effort".

One would like to ask where is the rationale for this change in policy direction? Would it not be in everyone's interest to involve the community before such major policy changes occur?

Consultation on new funding model months after it has been introduced is not acceptable.

The national report on the public consultations held between June and September 1991 on CFFA/INA stated " It was felt that there is an overwhelming need for these initiatives to be developed in close consultation with the community ';

ACROD, other peak bodies, consumer councils, lobby groups and individuals must continue to question the CFFA model and demand real, not token consultation with the Government on all policy development.

1. WHAT ARE THE PROBLEMS WITH CFFA FOR SERVICE USERS?

1.1 EMPOWERMENT

In a DHI-ICS document titled "Disability Services Program Consumer Focused Funding Approach (CFFA), June 1991", it states that TFFA enhances the self-determination and empowerment of people with a disability ".

ACROD NSW believes that CFFA has no real capacity to genuinely empower people with disabilities unless:

- a). There is an oversupply of services
- b). The services have definite and distinguishable differences
- c). The services are accessible to the consumer
- d). The consumer knows the services and their differences
- e). The CFFA support provided is sufficient to enable the consumer to afford the service of his/her choice.

At present there is no evidence that any of these preconditions are being met in the largely populated areas or are likely to be met in the foreseeable future. The chance of any of them being met in rural and remote areas now or in the future is almost zero.

Rather than empowering, there is the possibility that CFFA can disempower people with disabilities if it simply adds a further layer of administration on the existing system. This will be especially true if one has to have access to, and agreement from, a third party instead of being able to apply directly to the service of one's choice.

The national report on the public consultations held between June and September 1991 on CFFA/INA stated " The lack of realistic options for people with disabilities wanting to move under CFFA from one service to another was frequently mentioned (28 meetings).

1.2 CONSUMER CHOICE

The following quotes are taken from "Guidelines for the Implementation of stage 1 of the Consumer Focused funding approach (CFFA) (previously known as IFA)" draft June 1991

1.21 "Consumer transfer from a section 10 service funded under CFFA arrangements to a section 13 service will NOT be approved." What if the consumer's choice is to transfer to a section 13 service to be with a friend or has moved and it is the only service available?

1.22 "Individual consumers may transfer their CFFA support hours to a similar service only within the same service type". Not only does this limit choice it also shows that CFFA does not create new service options for users.

1.3 QUALITY CONTROL

The CFFA model is attempting to use a funding mechanism to impose quality control and monitor service standards. This conflicts with the principles established at the time the Disability Services Act was enacted where it was generally agreed that it would be better to minimise the attention given to inputs by streamlining funding and payment processes and concentrate on more effective mechanisms to monitor consumer outcomes.

All services funded by the Government should be of a standard that meets consumers' needs. Transfers between services should be due to the consumer developing beyond the programmes offered by the service and not because the consumer is "voting with their feet" against a poor quality service.

The responsibility for Quality Control of services should not be shifted from the funding body on to the consumer. The consumer quite rightly should retain the right to select the service of his/her choice, but that decision should not carry a punitive implication for the original service (or potentially other service users who continue to support it).

1.4 ADVOCACY

CFFA brings with it a need for greater advocacy support for people with an intellectual disability. Is there to be an associated increase in funding for advocacy services?

The national report on the public consultations held between June and September 1991 on CF17A11NA stated 9t was suggested at 20 meetings that the Disability Services Programme needs to increase funding for Citizen Advocacy programs to monitor CFFA and INA on behalf of individuals. Advocates would also be needed to assist people to learn about and manage the changed process (16 meetings)."

1.5 ADEQUACY OF FINANCING STRATEGY

CFFA provides no justification for the basis of funding levels, it simply takes the current Disability Services Financing Strategy as an adequate baseline for support costs per hour. A person's funding is then calculated by multiplying the hourly rate by the agreed number of support hours involved.

The current Financing Strategy is based', not on any assessment of real cost, but on an imputed cost calculated by dividing available government funds by the presumed number of support hours eligible for funding.

If the maximum funding that can be allocated to an individual is set too low, services, to stay viable, will just not accept anyone who will cost more and once again, people with high cost support needs will miss out.

1.6 PORTABILITY OF SUPPORTED FUNDING

Many ACROD members receive 30% or less of their funds from the Commonwealth Government. In addition to this, services funded under section 13 of the Disability Services Act generally receive *significantly lower levels of per capita funding than do their counterparts funded under section 10 of the Act. This inadequate level of funding has forced services to offset the shortfall in real support costs through fundraising, or by paying reduced wages to employees who are disabled.

Who will make up the shortfall if a consumer wishes to move from a service that has the capacity to make a financial contribution to the cost of that individuals programme to a service that does not have the same financial capacity?

ACROD NSW strongly believes that the starting point surely has to be the creation of some degree of equity in funding levels for all consumers across all services. This means a genuine assessment of real support costs, and an equitable provision of funding based on those costs.

.1.7 ASSUMPTIONS THAT SUPPORT NEEDS ARE CONSTANT

The CFFA assumes that a person's support needs are constant and comparable irrespective of the service type responding to those needs.

If a person wished to achieve open employment at award rates, the support costs should be calculated in the light of cost structures applying in Competitive Employment Training and Placement or Individual Supported Job Services. If a person wished to work in supported employment (e.g. enclave, work crew or small business model), the support funding must reflect the support costs of this service model.

Different service types have different cost structures, which will affect the cost of a support hour. Moreover, a person's support needs will depend upon the outcomes to be achieved, and may well increase or decrease over time in response to a variety of changing circumstances and dynamics.

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1.8 RELATIONSHIP BETWEEN CONSUMER AND SERVICE PROVIDER

The CFFA proposal takes a very narrow perception of the relationship that exists between the consumer and the service agency.

These relationships are far more complex than is pretended by the model. For example, in a typical supported employment service the roles could embrace employer/employee, consumer/advocate, trainer/trainee, and consumer/support agent in an accommodation service the roles could embrace landlord/tenant, consumer/advocate, trainer/trainee, consumer/support agency etc.

The CFFA model basically reduces this complex network of relationships to a single and arguably inappropriate one, i.e. service purchaser/service seller. The implications of this simplistic approach are enormous for both consumers and service providers as the relationship between say an employer/employee or landlord/tenant have legally binding conditions that are not compatible with a purchaser/service seller relationship.

2. WHAT ARE THE PROBLEMS WITH QFFA FOR SERVICE PROVIDERS?

2.1 ECONOMIC VIABILITY OF SERVICES.

Any funding provided must maintain the economic viability of the service. If four people share a group home, and are each allocated 25% of the support costs needed to maintain that arrangement, only one (1) person needs to leave and the entire economic viability of the support system for that group home is compromised.

Alternatively, if a level of funding is established for a person wishing to obtain open employment through a Competitive Employment Training and Placement service and a specific job is not found for that person before the approved funding is fully expended, what happens? The person concerned may have been assisted to become 'job ready' and may have been supported through several interviews, but has simply not achieved employment.

ACROD NSW believes that CFFA could be considered an appropriate model for highly personalised services like attendant care or therapy but in other programme areas like Supported Employment or small group accommodation its values must be seriously questioned.

The national report on the public consultations held between June and September 1991 on CFFAIINA stated " There was widespread concern about the mobility of clients funded under CFFA affecting the viability of services if clients moved out of the services (31 meetings)"

2.2 INDUSTRIAL RELATIONS

CFFA has the potential to create staffing problems and industrial conflict due to the need to continually reduce and increase staffing when individuals move in and out of services with their funding allocation. Not being able to offer staff secure employment will result in being unable to retain quality staff or having to employ staff on a casual basis at a higher hourly rate.

2.3 FORWARD PLANNING

With no guarantee of ongoing funding CFFA makes forward planning for services very difficult.

2.4 COST ESCALATIONS

CFFA allows Government to distance itself from cost escalations in the industry. Once it has set the hourly \$ support rate who will pay the additional costs, (legally imposed) of new awards, national wage increases and increase in employer superannuation contributions (soon to increase from 3% to 5%)?

2.5 COMPLEXITY OF GUIDELINES

CFFA adds another level of administration with guidelines that would deter most aspiring new service providers.

2.6 SECTION 10 SERVICES

CFFA funding can only go to section 10 services. What is the relationship between CFFA and section 14A (the new section for services that are "on the way" to section 10 but still do not meet the Department's criteria)?

3. OTHER PROBLEMS WITH QFFA

3.1 OTHER MODELS

What is the relationship between CFFA and other new innovative service delivery models? The merits of other existing models currently operating in Australia should be openly discussed in conjunction with any proposed new

model. For example Community Option and Hostel Options that claim to be able to provide access to the range of services an individual may need.

ACROD NSW believes that CFFA should only be considered after an evaluation of existing alternatives has shown that they are not suitable to meet the needs of people who have a disability.

3.2 APPEALS MECHANISM

ACROD NSW strongly supports the need for an appeals mechanism, at present there is no appeals mechanism in the CFFA structure for consumers or service providers

The national report on the public consultations held between June and September 1991 on CFFA/INA stated

" It was stressed at 15 meetings that safeguards were needed to ensure that all people with disabilities benefited from increased opportunities."

It was felt that there must be adequate safeguards and grievance procedures to protect the individuals and ensure that they are satisfied with their assessment'

3.3 INDIVIDUAL NEEDS ANALYSIS

ACROD NSW recognises that there is a need for a uniform assessment system within the disability field but not a new assessment industry that will become so overpowering that it will use up energy and resources needed for direct service delivery.

We need to look at how the currently used Individual Programme Plans (IPP's) and Futures Planning models fit into the proposed CFFA Individual Needs Assessment system (INA). A major concern is that the INA is a duplication of what is already being done at the service provider level when the consumer and/or their advocate develops an IPP to meet their needs

The national report on the public consultations held between June and September 1991 on CFFA/INA stated, "There was some concern that these initiatives would create a new layer of administrative requirements, both for service providers and government, which would take time and money away from direct service provision (17 meetings)."

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WHAT IS ACROD NSW DOING BOUT CFFA?

In (84%) of the consultations held throughout Australia by the Department of Health, Housing and Community Services on CFFA/INA the majority of

people expressed the opinion that CFFA and INA have potential for further development". 2% 'Yet that the concepts do not have potential for further development" and 14% gave qualified support of the concept.

The consultations clearly give validity to ACROD NSW opinion that more research and 'Further development" on CFFA/NA is necessary.

ACROD NSW strongly recommends that before introducing CFFA, or any proposed new funding model there must be adequate consultation with all parties where the model must be considered against an agreed set of criteria for ideological and administrative acceptability. Examples of what some of the criteria might be include

- a). The value of CFFA. If funding priorities have to be rearranged to pay for CFFA it might only be affordable at the cost of reducing other direct services.
- b). The demonstrable relevance of CFFA to identified support needs of people with disabilities and to the real cost of service provision.
- c). The demonstrable capacity of CFFA to facilitate empowerment of consumers by increasing choice and specifying points of accountability e.g. consumer outcomes, minimum service standards, annual reports etc
- d). The ability of the CFFA mechanism to provide prompt, timely payment of all entitlements with minimal administration costs.
- e). The capacity of the CFFA process and procedures to incorporate flexibility to respond to "special circumstances" where these can be justified
- f). The existence of an understandable and easily accessible appeals mechanism for all parties.

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ACROD NSW has brought to the attention of the NSW Minister for Community Services and Health the concerns that have been outlined above and are awaiting his response. ACROD National are taking up the issues with the Commonwealth Government and the Minister for Health Housing and Community Services with the outcomes from these discussion being reported in ACROD's monthly newsletter.

ACROD NSW
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