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**DEPARTMENTS OF COMMUNITY SERVICES AND HEALTH -
HOMES FOR SPECIAL CARE - PHASE 1**

BACKGROUND

6.1 The Homes for Special Care Act governs many long-term care facilities throughout the Province including nursing homes, homes for the aged, homes for the disabled, and residential care facilities. Individuals in these homes may have assistance from the Departments of Health and Community Services for the payment of per diems as provided for under the Social Assistance Act. The Department of Community Services also funds residents in smaller facilities under a program referred to as Community Based Options (CBO). CBO homes are not governed by the Homes for Special Care Act. However, the Department of Community Services released Interim Standards on November 26, 1996 to provide a measure of control over these facilities.

6.2 Individuals are admitted to these facilities as the result of an assessment and classification process. Assessments and classifications are performed by staff of the Departments of Community Services and Health, based on information collected and recommendations made by caseworkers. In some municipalities, caseworkers are employed by the municipality. In the amalgamated municipalities of Cape Breton, Halifax and Queens, caseworkers are employees of the Department of Community Services. In yet other municipalities, caseworkers employed by the Department work on a contract basis for the municipality. It is anticipated that all caseworkers will be employed by the Department of Community Services on April 1, 1998 when the Province assumes total responsibility for social assistance in Nova Scotia.

6.3 *Facilities* - The Department of Health provides financial assistance through its Long-Term Care Program to residents in nursing homes or homes for the aged. A total of 69 of these facilities are licensed by Health throughout the Province representing approximately 5,800 beds. At any time residents occupying approximately 75% to 80% of these beds are financially subsidized by the Department through payments to the homes. These payments are based on approved per diem rates for each home, which averaged \$91.61 as at May 1, 1997. These facilities may be municipally-owned, private non-profit or private for-profit entities. There are also long-term care beds in several hospitals in the Province.

6.4 The Department of Community Services licenses the homes for special care for which it is responsible, including rehabilitation centres, residential care facilities, group homes, adult residential centres and developmental residences. At July 31, 1997 there were 117 of these homes containing 2,608 licensed beds. CBO homes are unlicensed, and at July 31, 1997 there were 440 homes with 1,176 residents. As with nursing homes and homes for the aged, the facilities licensed by Community Services are owned by a variety of groups. The Department has indicated there has been a moratorium on new licenses for homes for special care under its jurisdiction for four years and on the development of new CBO homes accepting publicly-funded residents for two years.

6.5 *Financing* - Financial assistance for residents of all homes for special care, including nursing homes and homes for the aged, was provided through funding from the Federal government, municipalities and Community Services until April 1993. At that time the responsibility for nursing homes and homes for the aged was transferred to Health and the funding was shared between the Province and the municipalities. Under Provincial Municipal Service Exchange which took effect

April 1, 1995, the Province assumed responsibility for a greater portion of the costs associated with these residents. Some funding from the municipalities remains.

6.6 The budget for the Long-Term Care Program at Health is based on the net cost of maintaining residents in nursing homes and homes for the aged. The total amount approved by the Department of Health as the budget to operate nursing homes and homes for the aged for 1997-98 was approximately \$199 million. Of this amount, about \$90 million is contributed by residents of these facilities toward the cost of their care. The remaining \$109 million is funded by Health and is included in the 1997-98 Estimates for the Department.

6.7 Community Services provided \$44 million for residents of homes for special care under its jurisdiction for the year ended March 31, 1997. Community Services has also been funding municipalities for CBO homes since April 1995 and incurred expenses of \$29 million for residents in these facilities in 1996-97. Municipalities pay CBO homes an established per diem for residents and claim the full amount from Community Services. Estimates for 1997-98 are \$47 million and \$31 million for homes for special care and CBO homes respectively.

RESULTS IN BRIEF

6.8 The following are the principal observations from this audit.

- The Acts and regulations provide a broad framework for policies dealing with classification and assessment, however, policies for a number of areas related to homes for special care need to be standardized throughout the Province. The lack of standardized policies has led to inconsistencies in current practices across the Province. The Community Supports for Adults Policy Committee has been established jointly by the Departments of Community Services and Health to work on Provincial standards to promote consistency.
- The Social Assistance Act provides some guidance on issues surrounding designated residences but the results of our audit indicate possible inconsistency in the application of these guidelines throughout the Province because there are no Province-wide administrative policies in certain areas. A consistent policy is required to ensure proceeds upon sale of designated residences and rental income from such properties are treated consistently. We have recommended that policies surrounding designated residences be expanded.
- Standard procedures for verification of financial information obtained from residents should be developed. In addition, practices with respect to the amount and type of assets which may be retained by an individual upon entry to a home for special care need to be made more consistent.
- Individuals are classified to the level of care required by that person. These levels of care are clearly defined in the Provincial Classifications and Assessments Manual.
- Periodic reviews of residents' care needs or financial situations are not being conducted frequently enough, as required by the Classifications and Assessments Manual, to determine if changes are needed to the original classification or assessment of financial need. We have recommended that the Departments of Community Services and Health clarify the roles and responsibilities for those involved in these reviews, and develop policies and schedules for their

- completion.
- There are Interim Standards for the classification and assessment of individuals to CBO homes. Additional work is needed to ensure the requirements pertaining to individual program plans and monitoring are met.

AUDIT SCOPE

6.9 In September 1997 we began an audit of certain aspects of the operation of long-term care facilities regulated by the Departments of Community Services and Health. The areas to be audited included licensing and inspection of these facilities, as well as classification and assessment of residents entering these homes. However, we separated the audit into two phases and are only reporting on the results of our audit of the classification and assessment function this year. The second phase of the audit will be reported in the 1998 Report of the Auditor General.

6.10 *Phase 1* - The objectives for Phase 1 of the audit were to assess the processes for classifying residents to homes based on their care needs, and for determining the level of assistance to be provided based on their financial need.

6.11 General criteria were used to facilitate Phase 1 of our audit. Criteria are defined as reasonable and attainable standards of performance and control against which the adequacy of systems and practices can be assessed. The following criteria were discussed with management at the beginning of the audit.

- There should be clearly defined policies and procedures for the classification and assessment processes and they should be consistent with the Social Assistance Act and regulations. Roles and responsibilities for these functions should also be clearly defined.
- The classification process should ensure that less costly alternatives which fully meet the applicant's needs are considered. The assessment process should include a review and verification of applicants' financial information, and there should be policies regarding those assets to be considered in determining financial need.
- Where an applicant's residence is designated under Section 8 of the Social Assistance Act, there should be a clear policy on entitlement to any rental income and disposition of proceeds in situations where a designated residence is sold.
- There should be periodic reclassifications and reassessments of residents to determine if care and financial needs should be adjusted.

6.12 Our audit approach consisted of interviews with management and staff at Community Services and Health. We performed detailed testing on the classification and assessment of homes for special care residents in two municipalities: Halifax Regional Municipality and Cape Breton Regional Municipality. Any findings and observations resulting from our testing with regard to homes for special care in these municipalities, where the initial review of care needs and financial circumstances is performed by Provincial caseworkers, may not extend to practices in other municipalities throughout the Province where caseworkers are employed by the municipalities, or where Community Services performs the work on behalf of the municipality.

6.13 *Phase 2* - The objectives of Phase 2 will be to assess:

- the licensing and inspection functions for long-term care facilities, including follow-up on deficiencies and enforcement of penalties;
- the processes for reviewing budgets and setting per diems;
- the processes for monitoring financial performance of facilities and compliance with government standards;
- the process for payment of claims received from facilities; [and](#)
- the planning functions related to demand and capacity, and the process for approval of new facilities or additional beds.

6.14 In addition, we intend to examine the Departments' plans and progress relating to establishing outcome measures for the Programs. Finally we will follow-up on the implementation of recommendations from our previous audit of Hospitals-Homes for Special Care Shared Services, reported in the 1992 Report of the Auditor General.

PRINCIPAL FINDINGS

Roles and Responsibilities

6.15 The assessment function involves obtaining financial data and other information from the applicant, and determining the level of financial assistance to be provided. The purpose of the classification process is to determine the level of care required by the applicant. Caseworkers make a recommendation as to the appropriate type of facility based on their review of information pertaining to the applicant's care needs. Based on this information, classifications and assessments are made by Community Support Specialists or Long-Term Care Advisors. The caseworkers use the classifications to help applicants find an appropriate home for special care. The roles and responsibilities for individuals involved in these processes are detailed in Exhibit 6.1.

6.16 The classification process for publicly-funded individuals applying to a nursing home or home for the aged was previously performed by Community Support Specialists at the Department of Community Services. Organizational changes resulted in this function being performed by Long-Term Care Advisors from the Department of Health. The Classifications and Assessments Manual notes classification and assessment as the responsibility of the Department of Community Services, but does not describe the role of the Long-Term Care Advisors at the Department of Health in classifying applicants who are likely to enter a nursing home or home for the aged. The Manual should be expanded to include the role of these Advisors.

Assessment of Financial Need

6.17 *Initial assessment* - The assessment process requires that the caseworker complete a Social Service Report, or Form B (see Exhibits 6.1 and 6.2). Among the sections to be completed is one noting financial information with respect to the applicant, including sources and amounts of the individual's monthly income and that of a spouse, if applicable. There is also a requirement to note the amount and type of assets owned by the applicant at the time of application, and whether this information has been verified. The caseworker concludes on the form whether the individual will

be a private-paying or publicly-supported resident. We noted from our discussions that financial assessments are more relevant to applicants to nursing homes and homes for the aged. Assessments done for applicants to homes for which Community Services is responsible rarely indicate significant income or assets to aid in the cost of care.

6.18 There are Provincial policies regarding the amount and type of assets that can be retained by individuals or their families upon entry of an individual to a home for special care. However, our discussions with staff indicated that verification of income and assets varies throughout the Province, with some caseworkers doing very little work in this area and others obtaining detailed bank records, copies of income tax returns, etc. Current practices are a combination of practices that have developed over time, policies in draft manuals and policies from old municipal manuals. We tested files in Halifax Regional Municipality and Cape Breton Regional Municipality to determine the extent of financial verification. About one-half of files tested contained no evidence that financial information had been verified. Several files related to individuals in receipt of family benefits. We were informed financial data related to these residents is agreed to documentation on file in the family benefits system, but there is no indication in the files that this verification has taken place. Health and Community Services plan to establish a staff committee to address issues relating to financial assessments.

6.19 As part of the assessment process, caseworkers must determine whether there are more cost-effective alternatives to a home for special care that could meet the applicant's needs. We noted that these alternatives were considered in the vast majority of the files we tested.

6.20 The need for standard procedures for verification of assets and income of individuals receiving assistance from the Province is not unique to those applying for admission to long-term care facilities. Income levels for those registered under the Seniors' Pharmacare Program, for example, are verified against electronic files obtained from Revenue Canada. A similar procedure should be developed to verify the income of individuals who apply to be publicly-supported residents in homes for special care.

6.21 Possible financial contribution from relatives is also considered in the assessment of financial need. The Social Assistance Act provides that relatives defined in the Act are "... *jointly and severally liable for the assistance of the person* [receiving assistance] *and shall assist and maintain the person to the extent and in such manner as the social services committee may direct.*" Again, practices vary with respect to determining whether financial contributions from relatives are possible. It was indicated that contributions in kind, such as donations of clothing and personal supplies, are considered in some cases. We recommend that policies and procedures be developed in this area.

6.22 *Reassessment* - Finally, we determined that there are no requirements for periodic reassessment of a resident's financial situation. Caseworkers noted that they rely on staff at each facility to inform them if they become aware of changes in a resident's financial situation, but there is no formal requirement for the homes to do this. **We recommend that roles and responsibilities be clarified with respect to the reassessment process and that policies require regular review of financial data.**

6.23 We tested files of residents in Halifax Regional Municipality and Cape Breton Regional Municipality who had been admitted more than 36 months prior to the start of our audit to determine whether any periodic review of financial circumstances had been performed. We observed that only 23% had been reviewed to determine if their financial situation had changed since their original classification.

Classification to Level of Care

6.24 *Initial classification* - Individuals are classified to the level of care they require. The levels of care to which the Homes For Special Care Act applies are identified as Type I Care and Type II Care, with Type I Care being the less intensive level of care. We observed that classification levels are standardized and the distinction between Type I and Type II care is clear.

6.25 As noted in Exhibit 6.1, Community Support Specialists and Long-Term Care Advisors approve Form C for all publicly-supported applicants entering a home for special care. All but one of the files tested in Halifax Regional Municipality and Cape Breton Regional Municipality had a completed Form C on file. Individuals who pay per diem rates themselves may also be classified prior to entry to a home for special care. This is a requirement for applicants to municipally-owned homes and for applicants to any home located in the Cape Breton Regional Municipality. There is no formal requirement for this in other situations. We did not test to ensure that private-paying residents had been classified or that the classification had been approved.

6.26 *Classification review* - The Classifications and Assessments Manual notes that a review of the care needs of residents in nursing homes and homes for the aged must be performed twice a year, and annually for residents in residential care facilities.

6.27 For nursing homes and homes for the aged, classification reviews are now the responsibility of caseworkers. Prior to the Department of Health assuming responsibility for these homes, the reviews were conducted by Public Health Nurses. Due to the volume of clients of each caseworker, there is no time for regular reviews to reassess residents' care needs. There is a great deal of reliance on the home to notify the caseworker if a resident's condition changes, just as there is reliance with respect to reporting changes in a resident's financial situation. In addition, there are cases where a need for reclassification or review at some point in the future is noted by the caseworker or (less frequently) by the Long-Term Care Advisor. It is the responsibility of the caseworker to ensure these reviews are completed, but there is no system to track these reviews. We recommend that policies be developed to facilitate periodic reviews of care needs and to follow-up on residents where the need for a review or reclassification has been recommended.

6.28 For homes for which Community Services is responsible, classification reviews are the responsibility of Department staff who conduct the annual licensing inspection of homes. A review of the adequacy of level of care is to be conducted for each resident at the time of the licensing inspection. The reviews are documented with the licensing information gathered, and not in individual resident files. Since we have scheduled our audit of the licensing process for Phase 2 of our audit, we will follow up on this issue in next year's Annual Report.

Designated Residences

6.29 Section 8 of the Social Assistance Act defines a residence as a housing unit in the Province that has been inhabited by the applicant for at least two years. It further states that an applicant may designate this residence, and that the ownership of or interest in a designated residence shall not be taken into consideration when determining the level of social assistance to be provided to that individual. Designation means that the title to the residence may be transferred to another individual if the homes for special care resident wishes to do so.

6.30 This issue is more relevant to applicants to nursing homes and homes for the aged because applicants to homes for which the Department of Community Services is responsible rarely have a residence to designate. We discussed the issue of designated residences with management at the

Department of Health who indicated that if a resident chooses to sell his or her home, the treatment of sale proceeds varies across the Province. There are very few instances where, if a resident chooses to sell a designated residence, the proceeds are applied to the cost of care.

6.31 There is no discussion in the Act or its regulations of certain issues associated with designated residences. These include:

- the disposition of proceeds on sale by a resident, as noted above, or by another individual to whom title of the home has been transferred;
- the application of rental income from a designated residence toward the cost of care;
- guidelines as to the amount of land which may be included with the designated residence; and
- limits as to the value which may be designated.

6.32 The effect of Section 8 is to protect equity in a home from being used to pay per diems in a home for special care while equity in other forms of investment is not similarly protected. Consider that an individual may choose to invest savings in a residence or, alternatively, rent accommodation or live in someone else's home and use other types of investments. Section 8 results in a residence being treated very differently from other investments.

6.33 A policy, and perhaps changes in legislation, are needed to ensure consistent treatment of the proceeds on disposition of a designated residence. We also recommend that the legislation or policies be reviewed and expanded to address the issues noted above and other issues associated with designated residences.

Interim Standards for Community Based Options

6.34 Community Based Options are small long-term care facilities which are funded and administered by the various municipalities in Nova Scotia. On April 1, 1995 the Department of Community Services began to reimburse municipalities for all contributions made to publicly supported individuals residing in CBO homes. However, placements into the facilities were still done by both Provincial and municipal social workers. Effective April 1, 1998 Community Services will assume full responsibility for social assistance in the Province, and will be solely responsible for making such placements. Meanwhile, the government has developed interim standards for the placement of individuals and for the operation of CBO homes, while it explores how it will regulate the facilities when full responsibility is assumed.

6.35 The interim standards for Community Based Options require that individuals entering CBO homes be classified and assessed according to the procedures followed for homes for special care. As noted above, Community Support Specialists classify applicants to a level of care needed. CBO homes are not an option noted on the classification form (Form C), but the caseworker, perhaps in consultation with the Community Support Specialist, may decide to place an applicant in a CBO home if there is one available that meets the required level of care.

6.36 The interim standards require that individual program plans be developed for all residents, and that residents be monitored through caseworker meetings with service providers and quarterly reports from homes to the Department of Community Services. Our audit of CBO files indicated that these requirements are not being complied with in all cases. Fewer than half of the files we

examined contained individual program plans, and fewer files showed evidence of ongoing monitoring. There were few quarterly reports from service providers on file.

6.37 We recognize that the interim standards were only one year old at the time of our audit and that time will be required to achieve full compliance. *Staff have indicated that a review of the CBO program is presently ongoing and they plan to address these issues in the near future.*

Policies and Procedures

6.38 The policies for classification and assessment are included in the Classifications and Assessments Manual developed by the Department of Community Services. It contains a description of the types of care available, and describes the procedures to be followed and forms to be used for classification and assessment. A list of these forms is noted in Exhibit 6.2.

6.39 During the course of our audit we noted inconsistencies in existing classification and assessment practices, or aspects of these functions where policies needed to be established. These were discussed in detail in the preceding paragraphs. The Manual should also be updated to promote consistency in policies and procedures throughout the Province and to establish new policies where needed.

6.40 There are draft policy manuals in Halifax Regional Municipality and Cape Breton Regional Municipality which describe caseworker practices unique to each of those municipalities. We were informed these practices result, in part, from policies and procedures developed by these municipalities when the initial review of care needs and financial circumstances was solely a municipal responsibility. Relevant policies and procedures from these draft manuals should be incorporated into the Manual revisions recommended above.

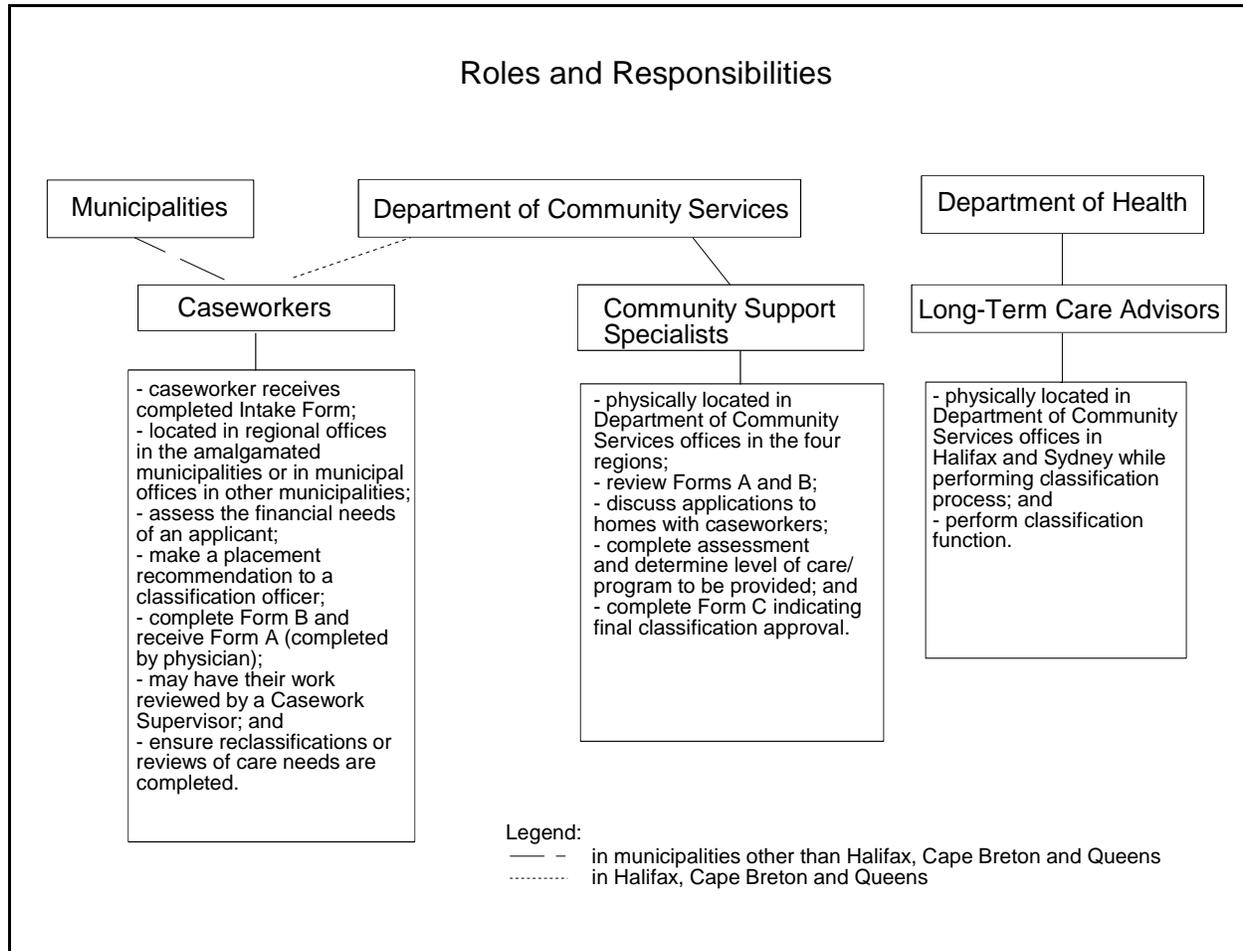
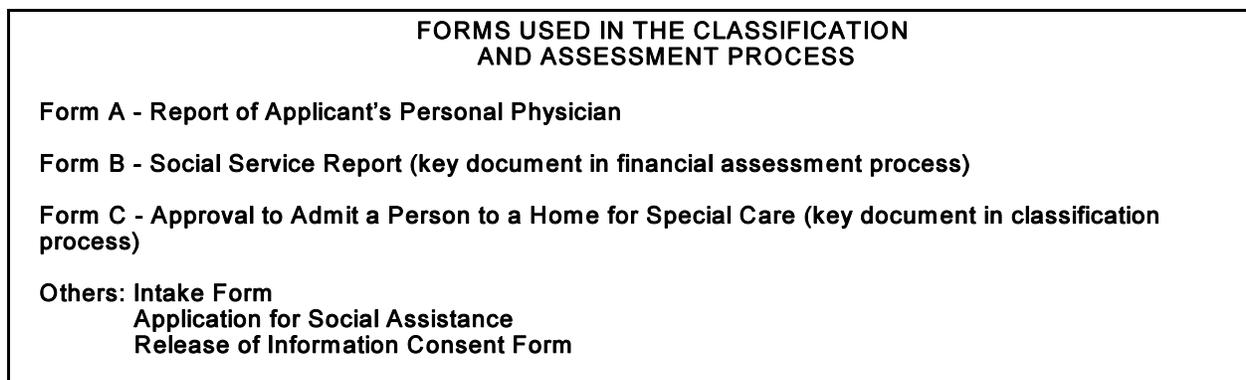
6.41 A Community Support for Adults Policy Committee has recently been established by the Departments of Community Services and Health. Its terms of reference include the review of policies and practices around the Province. We understand that this Committee will work on eliminating inconsistencies and developing Province-wide policies and procedures. Management at the Departments of Community Services and Health plan to have the more significant policy areas addressed by April 1, 1998 when all municipal involvement in the initial review of care needs and financial circumstances ends.

CONCLUDING REMARKS

6.42 Classification and assessment are based on a review of information provided by caseworkers. Significant work is needed to develop consistent policies across the Province to ensure that all applicants to homes for special care are classified and assessed in a consistent manner. In addition, procedures need to be established to ensure that financial information provided by applicants is verified. A system should also be established for the periodic review of care needs and financial status to ensure residents continue to be properly classified and that the level of financial assistance provided to them is appropriate.

6.43 Practices with respect to the type and amount of income and assets that can be retained by the applicant upon entry to a home for special care need to be made more consistent. More detailed policies are required for the designation of applicant residences.

6.44 The establishment of the joint committee, as described in paragraph 6.41, is a positive step towards implementing these recommendations and achieving consistent policies throughout Nova Scotia.

Exhibit 6.1*Exhibit 6.2*

DEPARTMENT OF COMMUNITY SERVICES' RESPONSE

The Department of Community Services is pleased to receive the timely and supportive feedback from the Office of the Auditor General on The Homes for Special Care and Community Based Options Program; programs in the midst of a major review and redesign.

As noted in the Audit Report the Department of Community Services is in the process of the most comprehensive restructuring of social services in the province since the 1960's. On April 1, 1998, the Department of Community Services will assume responsibility for the delivery of all social services, which will include the assessment, classification and case management of all publicly supported individuals requiring residential care and programming. In preparation for this total transfer, activities within the Homes for Special Care and Community Based Options Program have been concentrated on the development of a provincial policy and standards with regard to classification and placement of individuals and the development of a provincial case management policy and standards to monitor individuals following placement.

This policy work will provide consistent application throughout the province of standards with regard to financial assessment, allowable assets, designation of residence, pre-admission and ongoing follow-up and review of program/care and finances post admission.

Concurrent activities underway within the Department of Community Services include a province-wide review of all Community Based Options as, effective April 1, 1995, the Department of Community Services assumed full financial responsibility for this municipal program and effective April 1, 1998 will, in addition to the financial responsibility, assume full program/case management responsibility. With the introduction of the Interim Standards Community Based Options Program in November 1996 the Department of Community Services provided a provincial standard under which this program would operate pending the completion of the review and the determination of a new framework for the continuum of long term care services in the province of Nova Scotia.

Over the past 18 months the Departments of Community Services and Health have been collaborating on the need for a continuum of long term care and services in Nova Scotia which will be based on a client-centred model, emphasizing ease of access in an efficient and cost-effective manner. Discussion/consultations will be ongoing with representatives of the long term care sector.
