



Ontario Association of Residences Treating Youth

Centre of Excellence for Residential Care in Ontario

OARTY Examining Residential Services – Rate Review and Staff Wages October 2017

In their final report to the Ministry, the Residential Services Review Panel (the Panel) recommended that a comprehensive review of current per diems across the province and the per diem rate setting and review process for both transfer payment and privately-operated service providers be undertaken by the Ministry, with particular attention paid to the variation in rates across Ontario for similar services, increases in cost of living and the necessary adjustments of staff salaries aligned with such increases, as well as the cost implications of other recommendations included in the report related to human resources.

The Ontario Association of Residences Treating Youth (OARTY) has been calling for a comprehensive funding review for numerous years and believes that this recommendation from the Panel should be the Ministry's #1 priority. Cost of living adjustments have not been addressed in the private sector and it is our strong belief that with costs continuing to escalate, including increases in the minimum wage, that the impact of such increases will adversely impact the service sector and the services provided to children and youth.

Currently, the rates for private operators are set by the government at the time of licensing through the rate set process and are not revisited unless an operator makes substantial modifications to the program design. This in essence means that unless an operator changes their program design they receive no increases to off-set inflationary costs.

There are two distinct but related issues with the current process.

1. The current structure encourages modifications to the program design based on monetary reasons as opposed to outcomes measurement and evidence-informed practice.
2. The current structure does not account for cost of living adjustments or allow rate reviews to address rising costs in terms of 'hard' or 'fixed' costs (for example, rising food and utility costs).

In the per diem sector there is no way to access funding for staff wages and cost of living increases. To ensure that the mandate of the Act is being fulfilled and that children and youth in care have access to high quality care and services we need to ensure that this error in funding allocation is corrected.

It is recognized that there is a high turnover in the staffing in group homes, in large part due to the inability of the private sector to pay competitive wages to their child and youth care workers based on the staff wages set during the per diem rate set process. The wages set by the government as part of the rate setting process will increasingly be below the minimum wage, as it is now indexed to the cost of living and yet per diem operators have no mechanism by which to increase their per diem to account for staff wages. Adequately funding staff wages in the private sector would assist in the retention of staff and ensure more stable environments and meaningful relationships for the children in our care.

The inability to address cost of living increases and increases for staff wages, directly impacts the lives of children and youth who live in privately-operated homes. As the sector moves forward with improving residential services for children and youth, we must ensure that services are adequately funded in order to provide high quality staff and foster parents who are trained appropriately. Ensuring that per diem rates are tied to the cost of living will ensure that services provided to children and youth are kept at a high level (for example that meals are composed of healthy and nutritious food).

OARTY Examining Residential Services – Rate Review and Staff Wages 2017 Survey

To better understand how the current rate review process is working on the ground level and to determine what the impact of increases to the minimum wage will be on the sector, OARTY administered a survey regarding rate review and staff wages. The survey was sent to 151 residential service providers and responses were collected from 45 (a response rate of 30%). Of the respondents 66% were OARTY member agencies. There were also 9 respondents who operated at least one transfer payment program (of that 9 it would appear that at least 8 also run per diem programs). Responses were received from agencies from all regions, program models, client types and age groups.

The majority of respondents indicated that they have not received a rate increase in over 5 years (60% of per diem programs and 86% of TPAs).

In terms of the rate review process, 50% of respondents indicated that they had recently experienced difficulty getting a rate review. Comments were provided regarding the difficulties and ranged from issues with receiving information from the regional offices, to long delays with the process itself. A full listing of comments from respondents regarding these difficulties can be found in the attached survey response summary. 69% of respondents indicated that their most recent rate review did not take place in a reasonable time period.

In terms of the impact of the proposed increase to the minimum wage, the lowest staff wage listed in the majority of respondent's rate set/review documents will be below the minimum wage in 2019 when the wage increases to \$15 (50% of respondents indicated that the lowest Ministry approved staff wage is below this level).

The data matches similar data collected in the past and points to ongoing delays in rate reviews and the need for a better process to ensure continuity of care, both in regards to reducing staff turnover and in ensuring the continued operation of private residential programs.

Details of respondent answers are provided in Appendix A, including written responses. For the purposes of confidentiality, all identifying information has been removed from agency responses.

Recommendations:

OARTY recommends that the rate review process be divested from regional offices to a single central entity that has clearly articulated guidelines. To adequately support independent residential service providers, and the children that they serve, the rate review process should include a manual that stipulates the service standards that are to be met, as well as giving specificity to the deadlines, documents, and templates that are required to be completed by the residential service provider. We also ask that consideration be given to the future state of funding private operators and that the current rate review process be given over as an interim measure to such a future body, while the province considers a comprehensive funding review as part of the residential blueprint.

There is a need to define the manner in which cost of living increases for staff salaries (including when there are increases to the minimum wage) and fixed costs (building maintenance, utilities, transportation, food, etcetera) will be addressed. It is unrealistic to exclude these increases from the rate review process without outlining a secondary means of addressing these costs. It is in the best interest of the children and youth in care to ensure that providers are being appropriately funded for these hard costs as they impact upon the service delivery.

To correct the current differential in costs versus rates, **OARTY recommends that a 7.5% increase to per diem rates (based on a 1.5% increase for the past 5 years) be applied to all privately-operated residential service providers' per diem rates.**

OARTY further recommends that on a go-forward basis the following criteria be used to trigger an automatic adjustment to the rate:

1. If the lowest wage listed in the rate document is within 30% of the minimum wage
2. If the accumulative inflation rate since the last rate review reaches 5%

Having clearly defined criteria and triggers for automatic rate adjustments will ensure that rates are in line with hard costs.

Appendix A - OARTY Examining Residential Services – Rate Review and Staff Wages Survey

2017

1. Are you an OARTY member?

Answer Choices	Response Percent	Response Count
Yes	66.7%	30
No	33.3%	15

2. Please check off which Ministry Region(s) you operate in (please check all that apply):

Answer Choices	Response Percent	Response Count
Central	40.0%	18
East	42.2%	19
North	6.7%	3
Toronto	15.6%	7
West	26.7%	12

3. Please select which clients your agency serves (please check all that apply):

Answer Choices	Response Percent	Response Count
Acquired Brain Injury	11.1%	5
Developmentally Challenged	68.9%	31
Dual Diagnosis	66.7%	30
Emotionally Disturbed/Behaviourally Disordered	88.9%	40
Medically Fragile	24.4%	11
Other (please describe):	24.4%	11

Other Responses:

ASD
FASD/Trauma/Autism
Autistic
Sometimes clients with Autism Spectrum Disorder
Complex Mental Health ages 15-18
Mental Illness
High risk
Early childhood trauma
Vulnerable at risk
transitional aged youth moving towards independence
behavioural

4. What type(s) of care does your agency provide (please check all that apply):

Answer Choices	Response Percent	Response Count
Group Care - Staff Model	68.9%	31
Group Care - Parent Model	15.6%	7
Foster Care	24.4%	11
Treatment Foster Care	42.2%	19
Assisted/Independent Living	24.4%	11
Mixed Modality	17.8%	8
Day Treatment	17.8%	8
Respite	22.2%	10
Other (please describe):	11.1%	5

Other Responses:

Residential treatment
youth transitional living

Assisted Life skills which transitions into independent living (voluntary)
Day Services
Adult Day Program, Infant & Toddler Day Program - only available to residents of our programs - Majority of services are Staff Model Group Care

5. To which groups does your agency provide services? (please check all that apply)

Answer Choices	Response Percent	Response Count
Children	88.9%	40
Transitional Aged Youth	86.7%	39
Adults	40.0%	18

6. Are your programs licensed/overseen by? (please check all that apply)

Answer Choices	Response Percent	Response Count
MCYS	95.6%	43
MCSS	40.0%	18
Other (please specify)	13.3%	6
Other Responses:		
QAMS assessment		
Children's Aid Society		
Partnering with Community Living for adult independent assisting living		
Various Placing Agencies		
Accredited by CARF Canada		
MoEd		

7. Is your agency a transfer payment agency (TPA)?

Answer Choices	Response Percent	Response Count
Yes	20.5%	9
No	77.3%	34
Other (please specify)	2.3%	1

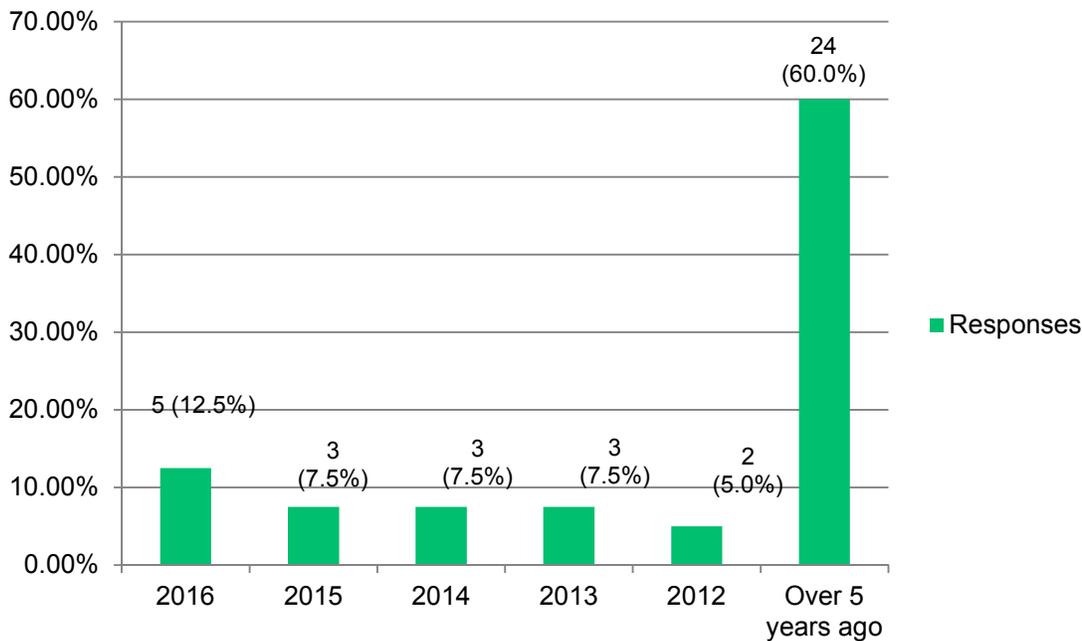
Other Response:

Per Diem based funding

Answered 44; Skipped 1

Rate Set/Rate Review Questions

8. When was your last rate review?



Answered 40, Skipped 0

9. Have you recently experienced difficulty in getting a rate review?

Answer Choices	Response Percent	Response Count
Yes (please describe below)	50.0%	19
No	50.0%	19

Comments:

We were informed that a rate review could not be commenced based on cost of living and pay increases

We have been advised that rate reviews will not be occurring any time soon.

Submitted a rate review in April 2017 and after several phones and email messages, have not heard back from Ministry about next step, process, etc.... as of August 18th 2017

Yes - I have been trying for another program that hasnt had a rate review since 2006 and been meeting roadblocks from the East Region Office.

A multiple year process, requests for revisions every time it seemed the process was about to be concluded. Overall an extremely frustrating process. It was made clear throughout the process that the rate review process would only consider program enhancements and not wage increases.

The last review process took several years to complete and resulted in an arbitrary rate set by the Ministry with no logical connection with the amount requested.

It took us over a year. During our first rate review meeting everything looked fine as we applied for a change from 6 to 7 beds which required a new license and effectively considered a new program. At the meeting I expressed this and they went over our budget line by line. We had adjusted the salaries and cost of living and treated it as a new program. They accepted the budget, asked a few questions and had no concern. At the end it was clear that it was ok with perhaps a few dollars adjustment in the per diem. Then about 2 months later we were asked questions which we already answered but the budget was not accepted and we needed to enter only costs related to enhancements. At that time we withdrew our application for 7 beds as it would not adjust our per diem as if it were a new program. In the meantime we had spend \$ 3,000.00 for rezoning which was approved. There is more to the story but this will suffice for the moment I believe.

It took us 2 years almost to have the rate review completed.

Question 9 Comments (continued):

Our agency has not had a rate review since 2004. It has been challenging to get the proper information from the ministry due to a constant change in management.

The rate that was approved in 2015 was actually initiated in 2012.

We have been requesting a rate review for a program that began 20 years ago and has had NO reviews since that time and they have been turning us down for several years. The other programs have not been reviewed in 9 years. We have informed them that we will be coming back for a rate review and there has been no response.

Prior to our last rate review (September 2016) our previous rate was set in 2007. When we initially started our last rate review in September 2013, it took 3 years to finally get our new rate set. This is unacceptable but as a private operator in the Province of Ontario, there is absolutely nothing that could be done to speed this process up as it is the MCYS that prolongs this process for whatever reason they choose.

We applied for a rate review over 2 years ago (July 7, 2015). We were initially given the wrong documents to complete (twice) before getting the correct spreadsheet. The first spreadsheet was completed and sent in before the error was noted in May 2016. After completing and submitting what was supposed to be the correct spreadsheet a meeting was scheduled for further discussion. Prior to the meeting we were again advised to complete another spreadsheet that was believed to more accurately reflect the multiple rates we have. After 6 weeks of trying to fit the data we resubmitted the previously completed spreadsheet with corrections and explanations in January 2017. Since then we have had one meeting regarding our rate review. A temporary rate was provided to us on Feb 1, 2017 but this rate is more than 50% less than our request. I have asked for assistance from the Executive Director for MCYS East and have not received a response. I have also asked for assistance from _____, _____ stated in an email that he would again raise the issue with the region. So far we've had no response. Finally, I emailed our Program Supervisor again on July 14th to inquire about the rate review progress. I have not had a response.

We had the rate review in 2017 and still after months we haven't heard the results. Its been about a year.

The last one was very difficult; have been informed many times that unless our programs are enhanced in some way, we would not be getting one.

Haven't applied yet

planning to apply soon

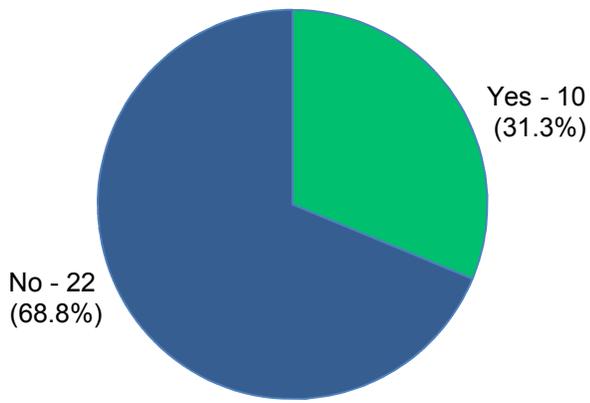
Still in progress - very slow process.

We are preparing to go to rate review. We expect to experience difficulty, as we have in past.

We are looking for more information as to how to go about completing a rate review.

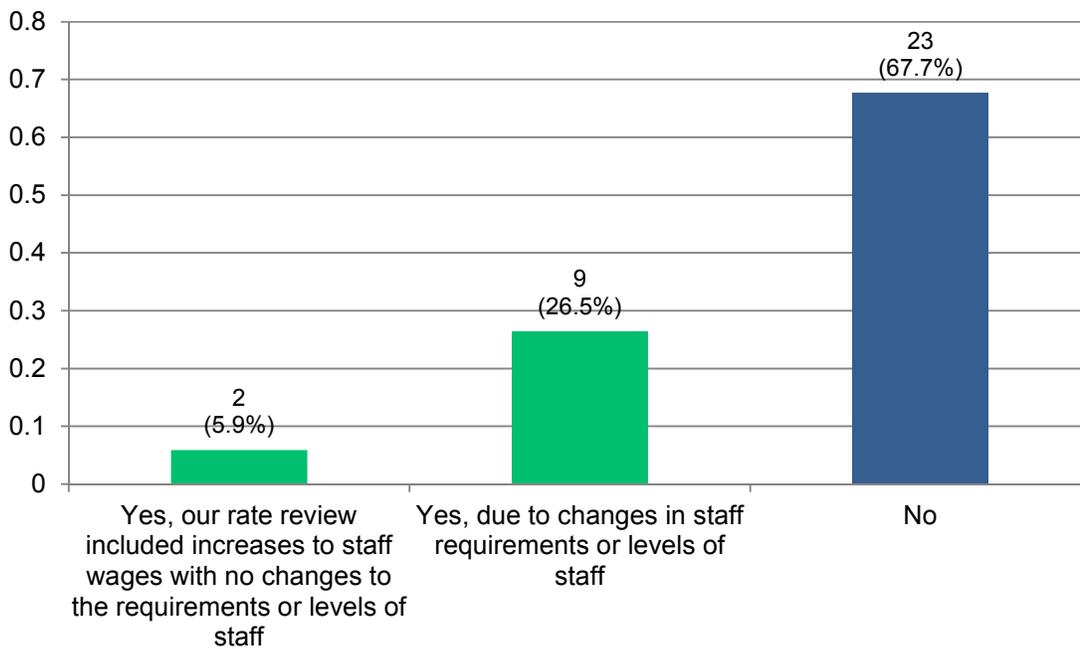
Answered 38; Skipped 7

10. Did your most recent rate review take place in a reasonable period of time?



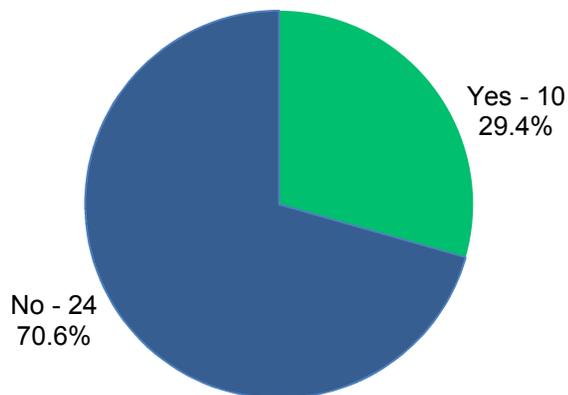
Answered 32; Skipped 13

11. Did your most recent rate review include increases to staff wages which were approved?



Answered 34; Skipped 11

12. Did your most recent rate review include professional membership fees (ex. OARTY membership dues)?



Answered 34; Skipped 11

13. Did your most recent rate review include accreditation fees/costs?

Answer Choices	Response Percent	Response Count
Yes	8.8%	3
No	91.2%	31

Answered 34; Skipped 11

14. If you are a TPA, when was your last rate increase?

Answer Choices	Response Percent	Response Count
2016	0.0%	0
2015	0.0%	0
2014	14.3%	1
2013	0.0%	0
2012	0.0%	0
Over 5 years ago	85.7%	6

Answered 7; Skipped 38

Staff Wages and Minimum Wage

Questions 15-18: Staff wages in rate document in comparison with minimum wage

Wage Comparisons	Response Percent	Response Count
15. Lower than the current minimum wage (\$11.40 an hour) <i>Note: 3 out of the 4 respondents answered yes to the following questions.</i>	10.8%	4
16. Lower than the minimum wage when raised in October (\$11.60 an hour)	8.1%	3
17. Lower than the minimum wage when raised January 1, 2018 (\$14.00 an hour)	27.0%	10
18. Lower than the minimum wage when raised in 2019 (\$15.00 an hour)	50.0%	19

Answered 37; Skipped 8 for all except the last question (Answered 38; Skipped 7)

19. What is the current lowest rate that you are paying your staff (this does not have to match what is listed in your rate set/review documents, this is the actual amount paid minus any statutory benefits)? If you pay your staff on an annual basis versus an hourly basis please select the hourly wage equivalent.

Answer Choices	Response Percent	Response Count
\$11.40 an hour	5.1%	2
Between \$11.45 an hour and \$15.00 an hour	35.9%	14
Between \$15.00 an hour and \$17.00 an hour	30.8%	12
Between \$17.00 an hour and \$19.00 an hour	12.8%	5
Between \$19.00 an hour and \$21.00 an hour	12.8%	5
Between \$21.00 an hour and \$23.00 an hour	2.6%	1
Between \$23.00 an hour and \$25.00 an hour	0.0%	0
Between \$25.00 an hour and \$27.00 an hour	0.0%	0
Over \$27.00 an hour	0.0%	0

Comments:

currently pay \$11.40 for the asleep overnight but approved budgetted rate is \$7.50

Most are between \$12-\$14

For full time, part time is \$16-17 per hour

Salaried front line staff earn closer to 17.00 per hour

Depends on the contract should really read \$14.00- \$21.00 per hour

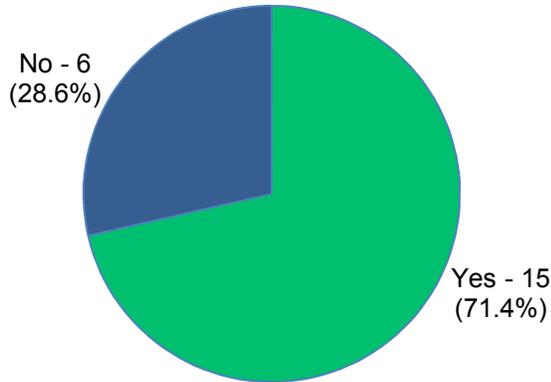
This rate is for Full Time Child Youth Workers *Staff note: responded with rate between \$19 & \$21 an hour, per diem only program*

Just increased pay based on this rate of pay that the government is doing

I restrain myself :)

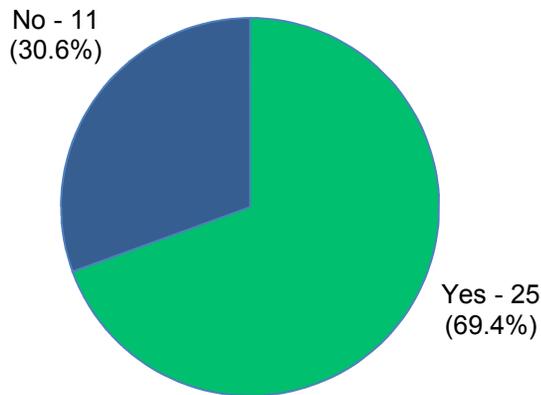
Answered 39; Skipped 6

20. If you are not currently paying your staff minimum wage, when it is raised do you plan to “bump up” your current staff wages?



Answered 21; Skipped 24

21. Will you require a rate review to meet your obligations once the minimum wage increases?



Answered 36; Skipped 9

21. If yes, do you have a recommendation for how MCYS should address this change in minimal wage within the rate review process within our sector?

Rate reviews do not address wages, so how could we do that?

it was made clear that rate review process is not for wage increases.

we can not pay staff min. rate. They do a great job with the most difficult youth. The going rate for a cyw is anywhere from 15-24/hr. The MCYS needs to recognize and increase all per diems to be able to pay staff accordingly or we will not be able to hire good staff

Perdiem is not enough to pay staff and manage the program

This increase effectively places our lowest hourly rate at the minimum wage. We can hardly compete for staff now and it will be impossible when minimum wage is raised to \$15. Additionally all indicators are that there will be significant inflationary pressures and our other costs will increase. We cannot absorb that.

Question 21 recommendations (continued):

Allow agencies to address inflationary increases within the rate review so that we can continue to pay our staff fairly based on this increase.

MCYS should be giving a 5% increase to address the wage increases due to minimum wage

Increase per diems automatically to account for percentage increase of minimum wage - if minimum wage goes up 10%, then the staff salary portion of the per diems should automatically go up 10%.

It is complicated but at the same time simple. First they could keep the current difference between paid wages and minimum wage. actually this ratio should apply from the date when the current salaries were approved. If the difference at that time was 20% then that percentage should apply to the current or new minimum wage. In addition, from the date of rate setting regular wage increases should also be applied. If they went up every year with 1, 2 or more percentages then that should be applied retroactive. In addition a fairness factor should be applied. (Responsibilities, requirements, education etc) How many would be politicians if their salaries would be 40% or more, less than their current salary?

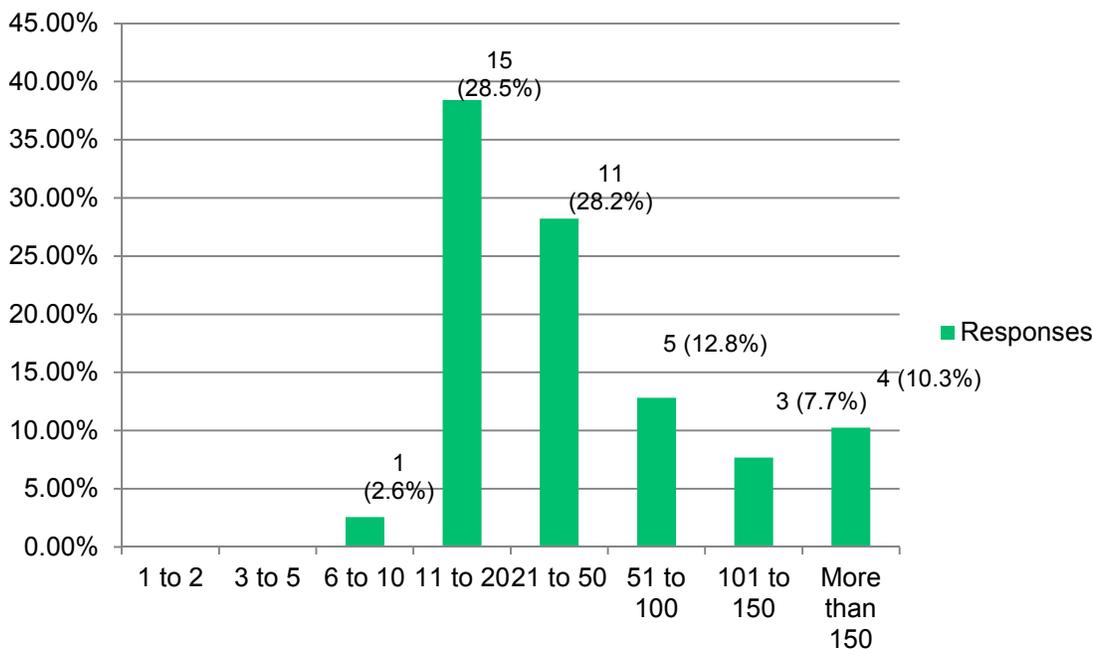
Wages should increase on a percentage basis. ie If minimum wage increase 10% wages should increase 10%

do across the board increase to all per diems and match the percentage increase on min wage

Increase the per diem to include the increases

Answered 36; Skipped 9

22. How many staff do you currently employ?



Answered 36; Skipped 9

