

Kids Matter

Rebuilding Children's Mental Health Services in Ontario

558,000 (18 percent) of Ontario children under age 19 have a diagnosable mental health disorder, while more than 300,000 are living with multiple disorders.

OPSEU



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Executive Summary

The importance of children's mental health services

Over the last decade the number of children in Ontario needing access to mental health services has grown exponentially.

According to CMHO, 73,153 children were referred to treatment in 1993. By 2000-01 that number more than doubled to 154,255 with 2003-04 projections calculating 201,556 children being referred for treatment. This is a 176 percent increase from a decade earlier, and the reality is the number of children referred to treatment is far below the number of those who need help.

It is estimated that as many as 558,000 (18 percent) of Ontario children under age 19 have a diagnosable mental health disorder, while more than 300,000 are living with multiple disorders.¹

On the frontlines:

I am the first contact for families looking for help. I interview the client and try to direct them to the most appropriate service for their needs. I support them in trying to manage crisis.

Intake Worker
Children's Mental Health

Left untreated, children's mental health issues can lead to serious problems in adult life including an inability to work, abuse, criminal behaviour, suicide and other forms of self-harm. The sooner mental health problems are diagnosed and treated the greater the chance the individual has for successful treatment. In many cases preventative programs among high-risk populations can stem problems before they develop and require much more expensive programs and treatments.

On the frontlines:

I work with many children who are in extreme crisis due to abuse, family breakdown, parental incapacities, addictions, learning disabilities and severe mental health diagnosis.

The emotional suffering of these children is most often expressed through negative behaviour in school, at home or in the community.

My job is to empower them and their families to develop healthier coping strategies and support networks to more effectively deal with the difficulties they are facing.

Without our services children would continue to suffer and negative results would magnify. The impact would be felt through the child welfare system, schools, hospitals and the criminal youth justice system.

Social Worker
Children's Mental Health

¹ Offord, D. R. (1989). *Ontario Child Health Study: Children at risk*. Toronto: Ontario Ministry of Community and Social Services.

A system in crisis

After eight years of Conservative government in Ontario, children's mental health services are in crisis.

A range of factors have contributed to this crisis:

- A drop in provincial funding for core children's mental health services.
- A sharp increase in the number of children needing treatment.
- Changes in government policy affecting the way services are organized, funded and delivered.
- Significant changes to the broader system of children and youth services increasing the complexity of case management.

While agencies and their staff across the province are feeling the impact of these changes, the real cost is being paid by children and their families with:

- Reduced access to key services.
- Gaps in treatment.
- Longer wait times.
- Disruptions in service.
- Development of a two-tier system.

The province's ability to meet its fundamental obligation to children in desperate need of help is in jeopardy. Unless we change course, we will lose our capacity to help children with mental health problems. These issues must be addressed now to ensure children and their families

receive the services and support they need to lead healthy, productive and independent lives.

Fortunately, the tools are available to reverse the erosion in Ontario's child treatment system. While treatment capacity is falling behind the growing demand, agency staffs have a wealth of professional expertise, clinical experience and knowledge of the problems and issues facing the system.

Following the provincial election of October 2003 the new Liberal government indicated a commitment to prioritize issues facing children and youth by creating the Ministry of Child and Youth Services and naming Dr. Marie Bountrogianni as Minister. It is now time for the government to make good on that commitment.

By working in collaboration with families, agencies and staff representatives, the Ministry has the opportunity to identify the underlying causes of the crisis in children's mental health services, take immediate steps to halt their decline and develop long-term solutions to meet the needs of Ontario's children, families and communities.

OPSEU members who work in Ontario's children's mental health sector have developed this discussion paper as an initial contribution to this process. We look forward to working with the Ministry, families, children's mental health agencies across the province and other key service providers to improve access to quality services for all children and youth who need them.

Roots of the Crisis

The decline in children's mental health services in Ontario has several causes.

Decline in base funding:

Base funding is money allocated to meet the overhead, administrative and treatment costs of core services in the children's mental health sector and allows communities to be responsive to community identified priorities. Base funding allows agencies to be flexible and responsive to community needs.

It is OPSEU's position that 'core services' include assessment and required treatment programs provided on a continuum from prevention to day treatment to residential services to meet the mental health needs of all children 0 to 18 years of age and their families. Some examples of core services that can be provided through a base funding model include: prevention programs, anti-bullying initiatives, treatment groups for children who have been subject to physical/sexual abuse/trauma, programs for adolescent perpetrators, family and individual counseling and residential treatment programs.

Base funding for children's mental health agencies has fallen well below the level needed to maintain core services.

Between 1993 and 2003 funding for core services dropped by 8 percent. Over the same period, the number of children needing

treatment more than doubled, from 73,153 in 1993 to an estimated 201,556 in 2003-04.²

Predictably, the result has been the loss of programs, reduced access to services and longer waiting lists for children and their families.

Between 1998 and 2001, the number of children waiting for treatment services rose by almost 50 percent, from 8,752 to 12,800.³ The average waiting time for services is now estimated to be 21.5 weeks,⁴ with some agencies reporting treatment delays of 8 to 18

months, depending on the region and type of service needed.⁵

Policy changes:

The problems resulting from the government's failure to maintain necessary funding levels, are further compounded by significant changes in the way children's mental health services are organized, funded and delivered.

These changes reflect policy directions established in the document *Making Services Work for People* (MSWP) published by Ministry of Community and Social Services in 1997.

While a key goal of MSWP was to increase the coordination of local service delivery to improve access to needed services, many of

On the frontlines:

For children and their families growing delays are having a detrimental impact:

- **Extending the pain and frustration of those in need of help, aggravating their symptoms.**
- **Increasing the risk of serious harm.**
- **Reducing the prospects for a successful treatment outcome.**

² Children's Mental Health Ontario (CMHO). (2004a). Fact Sheet

³ CMHO. (2004a)

⁴ CMHO. (2004b). Children's Mental Health: High Needs, High Returns: Pre-budget submission to the Standing Committee on Finance and Economic Affairs.

⁵ Office of the Provincial Auditor of Ontario. (2003). 2003 Annual Report. 3.02: Children's Mental Health Services. p. 58 & 63.

the resulting changes from the adoption of the report's recommendations have had the opposite effect. For example:

- **Targeted funding:**

The province has increased the use of new funding models that “target” resources to specific services or time-limited projects. These funds typically exclude administrative and overhead costs and are often directed to programs that respond to high-profile demands and political pressure. While these programs are important to those directly affected they don't necessarily reflect the most critical needs among the population as a whole.

The unintended result of this type of funding is the emergence of a two-tier system. Children and youth with families who have the resources and capacity to lobby on their behalf have a better chance of getting the programs they need than those who may have more serious needs but don't attract public attention.

For example: A child who suffers from mental health problems as a result of neglect or abuse is less likely to have family pressuring the government for service than an autistic child from an educated middle class family.

Targeted or “one off” funding doesn't take the bigger picture into account. Its use has increased the strain on many agencies' already limited base budgets, distorted local service priorities and/or put constraints on collaborative community planning efforts, while doing little to address the growing crisis in overall treatment capacity.

- **Competitive funding:**

Competitive funding models tend to subordinate quality and consistency of service to “cost effectiveness.”

The growing use of competitive funding – including Trillium and other grants and tendering service contracts through requests for proposals (RFPs) – has had a number of negative impacts on service delivery.

Agencies that have the necessary experience and expertise and already provide identical or related services have lost competitions based solely on narrow cost considerations.

At another level, competition for resources is undercutting collaboration among service providers who must to work together to coordinate services to meet the needs of clients and the community.

- **Integration initiatives:**

While coordination of services is critical, various integration initiatives undertaken in the wake of MSWP have actually undercut effective service delivery:

- In many cases agency amalgamations, have resulted in service cuts rather than improved efficiencies.
- Downloading of services to municipalities and the subsequent use of RFPs to allocate funding has resulted in service disruptions.

At the same time, the integration of service referrals through the establishment of “Central Point of Access Centres” has raised concerns about the potential of “managed competition” in the delivery of core services. As experienced in the home care sector, expanded use of RFPs and

other forms of managed competition leads to the further service dislocation and cuts in quality to lower costs.

Changes to other child and youth services:

In addition to the funding and policy problems currently plaguing the child treatment sector, significant changes to the broader system of children and youth services – including child protection, youth justice services and the education system – have made case management much more complex for children's mental health agencies, with no corresponding increase in funding.

On the frontlines:

Results of policy and funding changes

In the United Counties of Leeds & Grenville:

- Loss of 6 residential treatment beds, 1 assessment bed and 1 crisis stabilization bed.

Result: Kids who would have received treatment in the past are ending up in foster beds ill-equipped to treat their serious needs, are going untreated or are often ending up in the Youth Justice System.

- Loss of in school programming serving those very difficult youth who are unable to manage in the mainstream classroom.

Result: Kids are being forced to leave the county, removing them from their community when they need stability the most.

Staff cuts, reduced services and sector instability:

Together, these changes have forced Ontario's children's mental health agencies to reduce core services and cut staff.

In 2003, agencies reported cutting more than 300 positions.⁶ At the same time, wages in the sector have stagnated, lagging as much as 25-35 percent behind rates paid in the health, education and child-protection sectors.⁷ As a result, many agencies have reported annual staff turnover of 25 percent or higher.

At the same time, the inadequate provincial support for crucial children's mental health services contrasts sharply with the consistent funding provided to children's aid societies, which have a legislated mandate. This comparison begs the question whether a legislated mandate is required to ensure stable and sustainable funding for children's mental health programs and timely access to available services for children and youth who need them.

⁶ CMHO. (2004a).

⁷ CMHO. (2002). Revitalization of mental health services for children: A proposal.

Rebuilding the System

Faced with this deteriorating situation, it is crucial that the Ministry of Children and Youth Services take steps to address both the immediate funding needs and the longer-term structural issues facing children's mental health services in Ontario.

In an important first step, the government's 2004 budget included a commitment to increase funding to children's mental health programs by \$25 million in 2004-05 growing to \$38 million in 2005-06.

Yet, despite an 11-year freeze in base funding, the Ministry has committed to increase agencies' base budgets by only 3 percent in 2004-05. The balance of the new funding for 2004-05 and 100 percent of the funding increase in 2005-06 will be allocated to a range of short-term grants and targeted projects and programs.

As a result, the new funds fail to address issues of declining capacity and access to services or the need for a change in the direction of provincial policy.

At the same time, the Ministry has initiated an internal request for review of the access mechanisms for children's and developmental services to be completed by April 30, 2005. While this is a beginning, a more comprehensive review of the full range of issues facing the child treatment system is essential to ensuring a stable basis for the delivery of children's mental health services.

To fully address current and future challenges and rebuild children's mental health services, there must be a more comprehensive review that involves broad participation by families, communities, service providers and their staff.

Recommendations

OPSEU members who work in the child treatment sector call on Dr. Bountrogianni and the Government of Ontario to take the following steps to address the growing crisis in children's mental health services.

→ Restore base funding for children's mental health programs:

The province must take immediate steps to restore core funding for children's mental health agencies to 1993 levels by:

- Halting further reallocations to targeted programs.
- Increasing the proportion of the new funds allocated to agencies' base budgets to at least \$18.9 million for 2004-05 and \$21.75 million in 2005-06.
- Committing to future increases to keep pace with the rate of inflation and offset any additional costs resulting from future service integration.

Restoring agencies' base funding is an essential first step in halting the erosion of core services, reducing wait times and improving access to a full range of treatment based on client's need.

→ **Develop a new comprehensive framework for children's mental health services based on the results of systematic, multi-stakeholder review:**

The Government of Ontario must organize a systematic multi-stakeholder review of the full range of policy and funding issues facing the province's child treatment system. The goal of this review must be to develop a new comprehensive policy for children's mental health services in Ontario to replace *Making Services Work for People* and address the serious problems that have resulted from its implementation.

The review and policy framework must address the following urgent issues:

- Changes in the clinical needs of children with mental health problems and the increasing demand for services in Ontario communities.
- Defining the scope of "best practices" in the provision of children's mental health services and how they can be implemented to improve service delivery and effectiveness.
- Adequate base funding for children's mental health services to restore and maintain the system's ability to respond to the needs of children, families and communities.
- Impact of changes resulting from agency amalgamations, downloading of services to municipalities, and local service integration through Central Point of Access Centres, on service delivery, quality, accessibility and costs.
- Impact of alternative funding models – including targeted and project-based funding, grants, competitive bidding and "managed competition" – on the quality, stability and accessibility of an appropriate range of services based on client needs.
- Impact of changes in related services for children and youth – including child protection, youth justice and education – on demand for children's mental health services and on available resources.
- Difficulties facing service providers in their efforts to integrate programs into a stable network of services and streamline access based on clients' needs.
- Whether establishing a legislated mandate for children's mental health services – obligating the province to provide the funding for mandated services – would result in more consistent access to key services across Ontario.

→ **Ensure broad participation by key stakeholders in the policy review process:**

To be successful, a new policy and funding framework for children's mental health services must address the full range of issues facing the system and reflect the needs and experiences of families, communities and service providers. The proposed policy review must therefore involve community and family representatives, children's mental health agencies and their staff, and service providers in related fields including the child protection, youth criminal justice and education systems.

As the bargaining agent for more than 1,800 front-line children's mental health workers in 28 agencies, OPSEU would welcome the opportunity to provide input to this process.

→ **Freeze further service integration, agency amalgamations and downloading:**

The province should implement a freeze on the further integration of local services, agency amalgamations and downloading of services, pending a detailed review of the experience, costs, benefits and impact on service delivery of such measures since the release of *Making Services Work for People*. This review should include an evaluation of the BCFPI and CAFAS screening tools and their impact on the effective coordination of local service delivery.

→ **Commit to a moratorium on the expanded use of alternative funding models:**

Pending the outcome of this review, the province should announce a moratorium on using alternative funding models – including targeted, project-based or grant-based funding; competitive bidding and/or managed competition; and the introduction of individualized funding – until the impact of these models can be fully assessed as part of the development of a new framework.

Overview: Children's Mental Health Services in Ontario

The children's mental health system includes approximately 250 community-based organizations, including 82 treatment agencies represented by Children's Mental Health Ontario.

These organizations provide a range of services to children and/or the families of children who have social, emotional or behavioural problems or psychiatric disorders. Preventative and counselling services are also provided to assist children and youth coping with difficulties related to social issues such as family breakdown, physical or sexual abuse and the effects of poverty.

These critical services provide necessary support for children and their families and long-term benefit to the larger community.

Children's mental health agencies work in partnership with a range of other service providers in the community including schools, child care centres, hospitals, children's aid societies, the justice system and other social service agencies.

On the frontlines:

I work in a community where there is widespread poverty and unemployment. The children and young people have fewer opportunities than my own children. They aren't less capable. They aren't less valuable. They simply have less hope.

Through the support I provide many of my clients have been able to end the cycle of self-harm/self-destruction and begin living a life more congruent with their goals and dreams.

Social Worker/Senior Counsellor
Children's Mental Health Services

On the frontlines:

I work with new mothers who are finding it difficult to adjust. I provide postpartum support through home visits, educational materials, screening and support groups.

I help families before problems become severe.

Family Support Facilitator
Children's Mental Health Services

The range of services provided by children's mental health agencies includes:

- Assessment and referral services.
- Prevention and early intervention programs.
- Clinical services including crisis intervention, psychiatric treatment, substance abuse counselling, behaviour management and anger management.
- Treatment programs including individual therapy, group therapy, family counselling, outpatient and day treatment and residential care.
- Social supports and prevention services such as parent education and training, school programs, life skills training and problem solving skills.
- Residential and community-based mental health services for children and youth referred through the child protection system (children's aid societies.)
- Residential and community-based mental health services for youth involved in the justice system.

Declining Base Funding, Rising Demand and Reduced Access to Treatment

Children's mental health agencies are funded through transfer payments from the government of Ontario, under the *Child and Family Services Act* (CFSA). These transfers include both base funding to provide a range of services that respond to community needs, and separate allocations targeting specific programs and services.

Children's mental health services are not mandatory under the CFSA. As a result, agencies are required to submit balanced budgets. The level of services they provide is therefore limited by the level of funding they receive from the provincial government, rather than determined according to identified needs in the community.⁸ This contrasts sharply with the funding model for Ontario's children's aid societies (CASs). Under the *Child and Family Services Act*, CASs have a legislated mandate to provide child protection services based on need and the province has a legal obligation to fund mandated services. Though chronic under-funding results in CASs regularly running budget deficits, the Government of Ontario is required to cover their budget shortfalls for this mandated service.

The Drop in Base Funding

According to the Provincial Auditor, total provincial funding for children's mental health

services increased by 48 percent between 1997 and 2002-03, from \$213 to \$315 million annually. However, most of the increase was allocated to "new initiatives... (providing) intensive services to relatively few individuals with complex special needs," including Intensive Behavioural Intervention for Autism, Intensive Child and Family Services and services for pre-school children⁹

Base funding to children's mental health services dropped by eight percent between 1993 and 2003.

Results On the Front Lines:

In April 2004, an agency in Southwestern Ontario was forced to cut its Crisis Assessment and Intervention Program.

This program provided assessment and immediate counselling support for children and youth at risk of suicide or with high-risk behaviours such as fire setting. These children and youth are now referred to the emergency department of the local hospital – a much less appropriate and more costly alternative.

In recent years, funds have also been reallocated from core services to targeted programs such as Crisis Intervention and

Early Years programs. As a result, base funding to children's mental health services *dropped* by eight percent between 1993 and 2003. Despite the growth in funding for a number of targeted programs, agencies therefore have fewer resources to meet the needs of children whose mental health issues do not fit within specific program criteria.¹⁰

Increased Demand for Services

The number of children needing access to mental health services has grown exponentially. According to CMHO, 73,153 children were referred to treatment in 1993. By 2000-01, this figure had more than doubled, to 154,255. In 2003-04, it was projected, 201,556 children would need treatment – a 176 percent increase

⁸ Office of the Provincial Auditor of Ontario. (2003). p. 52.

⁹ Office of the Provincial Auditor of Ontario. (2003). p. 52

¹⁰ CMHO. (2004b).

from a decade earlier.¹¹ Moreover, the number of children referred to treatment is far below the number of those who need help.

It has been estimated that as many as 558,000 (18 percent) of Ontario children under age 19 have a diagnosable mental health disorder, while more than 300,000 are living with multiple disorders.¹²

Reduced Access & Increasing Waiting Lists

Not surprisingly, declining base funding and skyrocketing needs mean that children and their families are experiencing reduced access to the services they need.

- As the Provincial Auditor noted in 2004:
“The risk of not providing funding based on assessed need is that those agencies facing significantly increased service demands and cost increases may have to eliminate services to meet their budgets... A number of agencies have reduced services in order to operate within their historical base funding allocation.”¹³
- In 2003, children's mental health centres cut more than 300 staff positions – enough to serve approximately 7,000 children – due to funding shortfalls.¹⁴
- Between 1998 and 2001, the number of children waiting for treatment services rose by almost 50 percent, from 8,752 to 12,800.¹⁵
- In 2003 children experienced an average waiting time of 21.5 weeks to receive services from one of Ontario's children's mental

health centres,¹⁶ while individual agencies reported delays of eight, 11, and even 18 months, before children who had been referred to them could expect to receive treatment.¹⁷

The growing funding crisis has implications beyond the length of time children and their families are forced to wait for treatment. It is well recognized that timely access to appropriate services is a key determinant of successful treatment outcomes. Growing waiting lists for

mental health services mean that children with mental health issues face worsening symptoms, an increased risk of serious harm and poorer prospects for recovery.

Similarly, as agencies attempt to manage the gap between the available funds and the demand for services, resources tend to be concentrated on treating the most severe problems. Prevention and early intervention programs are given short shrift, despite the fact that addressing issues early tends to be both more effective and less costly than waiting until problems become acute.

On the frontlines:

Timely access to appropriate services is a key determinant of successful treatment outcomes.

On the frontlines:

When autistic children turn six they automatically get discharged from their treatment program whether or not they're ready for school.

I work with families, schools and other agencies to provide the transition support necessary to help the children adjust academically, behaviorally and emotionally.

Without the necessary transitional support children tend to lose the communication, social and academic skills they developed through their treatment program.

Transition Coordinator

Annual Report. 3.02: Children's Mental Health Services. p. 58, 63.

¹¹ CMHO. (2004a).

¹² Offord, D. R. (1989). *Ontario Child Health Study: Children at risk*. Toronto: Ontario Ministry of Community and Social Services.

¹³ Office of the Provincial Auditor of Ontario. (2003). p. 63.

¹⁴ CMHO. (2004b).

¹⁵ CMHO. (2004a).

Eroding Agencies' Ability to Deliver Services

The decline in base funding – together with restrictions limiting the use of targeted program funds to cover the administrative costs of delivering services – has resulted in significant operational challenges for children's mental health agencies:

On the Front Lines: Staff Recruitment and Retention

- Agencies report that due to budget constraints they are increasingly unable to compete with hospitals, school boards and the private sector in recruiting professional staff. This reflects both the growing wage gap and the fact that many agencies lack the resources to advertise vacancies broadly.
 - Many agencies report staff turnover rates of 25 percent or higher, with some as high as 40 percent.
 - Recruitment problems are often particularly acute in smaller communities. One agency in Eastern Ontario reported that it took 18 months to recruit a qualified Family Therapist.
 - In disciplines such as psychology or speech pathology, positions are now frequently filled on hourly or part time contract basis. This often causes delays in client assessments and difficulties ensuring participation in case consultation and case planning meetings.
- Wages in the children's mental health sector have fallen far behind other sectors. In 2002, CMHO estimated that employees of children's mental health agencies earned about 35 percent less than employees with

similar qualifications in health, education or government services. A social worker with specialized training who earns \$42,000 at a children's mental health agency could expect to earn between \$52,000 and 55,000 with a children's aid society, hospital or board of education.¹⁸

- Stagnating wages, increased caseloads and declining working conditions have all contributed to significant problems recruiting and retaining qualified staff. Many agencies report staff turnover rates of 25 percent or higher, with some as high as 40 percent.¹⁹
- According to CMHO, these operational and staffing problems have reduced the availability of services for children and their families and made it difficult to maintain quality.²⁰ These problems have also had a negative impact on the morale within agencies, increased health and safety issues for staff and children and eroded the continuity of service provided to clients and the community.

On the frontlines:

I go into communities where transportation and economics limit families' ability to access services.

I work with small groups of children to increase their emotional and social skills, fostering sharing and communication abilities.

Parents are able to sit together and talk about various issues helping to strengthen their community and support networks.

Children's Program Worker
Prevention Service Unit

¹⁸ CMHO. (2002).

¹⁹ CMHO. (2002).

²⁰ CMHO. (2002).

Restoring Base Funding for Children's Mental Health Services

In May 2004, the new Liberal government announced a commitment to increase funding for children's mental health services by \$25 million in 2004-05, growing to \$38 million in 2005-06. However, the allocation of these funds by the Minister of Children and Youth Services makes it clear that the province has not yet committed to restoring the base funding lost since 1993 – or the quality and level of services that have been affected as a result. Restoring base funding is crucial to rebuilding the treatment infrastructure of children's mental health services in Ontario.

In particular, Minister Bountrogianni has provided for a one-time increase in agencies' base budgets of only three percent – or approximately \$12 million – in 2004-05. The remaining new funding – \$13 million in 2004-05 and an additional \$13 million in 2005-06 – has been earmarked for one-time projects or targeted programs.

In contrast, CMHO has estimated that restoring base funding for children's mental health services to 1993 levels will require reinvestments of:

- \$18.9 million in 2004-05, including
 - \$12.6 million to make up half of the funding lost since 1993, plus
 - \$6.3 million (2 percent) to keep pace with inflation
- \$21.75 million in 2005-06
 - \$13.4 million to make up the balance of base funding lost since 1993, plus
 - \$8.35 million (2.5 percent) to offset inflation.

This reinvestment would allow agencies to:

- i) Increase salaries and address recruitment and retention problems.
- ii) Recruit new staff needed to treat an additional 10,000 children or more each year.

Additional increases would be needed in subsequent years to keep pace with inflation. The province must also ensure that funding is provided to offset additional direct costs resulting from any future government-mandated integration or restructuring initiatives.²¹

While urgent action is required to restore base funding, the province should also commit to examining the potential costs and benefits of establishing a legislated mandate for the provision and funding of children's mental health services. This should be undertaken as part of a multi-stakeholder review of a broad range policy and funding issues and the development of a new comprehensive framework for children's treatment services in Ontario.

In examining the issue of a legislated mandate, particular attention should be paid to the potential for ensuring stable funding and delivery of key programs and improving the overall coordination of services for children in need.

²¹ CMHO. (2002; 2004b).

Recommendation: Restore base funding for children's mental health programs

The province must take immediate steps to restore core funding for children's mental health services to 1993 levels, to address the growing crisis of access to quality services based on clients' needs. This will require a commitment to:

- Halt further reallocations of base funding to targeted programs.
- Increase the proportion of the new funds allocated to agencies' base budgets to at least \$18.9 million for 2004-05 and \$21.75 million in 2005-06.
- Provide future increases to keep pace with inflation and offset any additional costs resulting from future service integration.

Recommendation: Consider the establishment of a legislated mandate for children's mental health services as part of a broad, multi-stakeholder review of Ontario's child treatment system.

The Government of Ontario must organize a systematic multi-stakeholder review of the full range of policy and funding issues facing our provincial child treatment system. The goal of this review should be to develop a new comprehensive framework for children's mental health services in Ontario to replace *Making Services Work for People* and address the serious problems that have resulted from its implementation.

Among the issues this policy review and development process must address is whether establishing a legislated mandate for children's mental health services – and an obligation that the province provide the funding for mandated services – would result in more consistent access to key services across the province.

The Conservative Government and Children's Mental Health Policy in Ontario

On its own, the combination of declining base funding and increasing demand would have been more than sufficient to create a crisis in the children's mental health system. The impact of these factors has been further compounded by other significant changes in provincial government policy implemented by the Conservative government between 1995 and 2003.

These policy changes included:

- The promotion of the 1997 policy document *Making Services Work for People* (MSWP), which established a new framework for provincially funded services for children and people with developmental disabilities.
- The implementation of various service restructuring initiatives as part of the MSWP framework, including:
 - Agency amalgamations.
 - Integration of local children's mental health services through the creation of "Central Point of Access Centres" with the goal of streamlining assessments and referrals to available programs.
 - Implementation of two standard assessment tools – the *Brief Child and Family Phone Interview* (BCFPI) and the *Child and Adolescent Functional Assessment Scale* (CAFAS) – as part of a move towards "outcome-based funding."

On the frontlines:
While a key goal of MSWP was to increase coordination and improve access to needed services, the implementation has had the opposite effect.

- Downloading of certain services to municipalities.
- A series of changes in the legislative mandates, policies and/or funding for other key services for children – including the child protection, youth justice (following the implementation of the federal *Youth Criminal Justice Act*) and education systems – which has increased demand for children's mental health services with no corresponding increase in funding
- An increasing use of new funding models – including targeted or project-based funding, grants and other forms of competitive bidding. This has exacerbated the crisis in base funding already faced by community-based agencies, and raised concerns about the expanded use of "managed competition" to allocate funding for core services.

While a key goal of MSWP was to increase the coordination of local service delivery and improve access to needed services, the implementation of many of these policies has had the opposite effect. Instead, these policy measures have increased the strain on agencies' already stretched base budgets and undercut collaboration between service providers who must work together to coordinate services to meet the needs of clients and the community.

Service Restructuring and *Making Services Work for People*

The Conservative government released *Making Services Work for People* in April 1997. The document laid out a new policy framework for the delivery of services for children and people with developmental disabilities that were then funded through the Ministry of Community and Social Services. (Responsibility for children's programs has since been transferred to the new Ministry of Children and Youth Services. However, the MSWP "framework" continues to shape the way these programs are funded and delivered.)

The stated goal of the MSWP was "not only to make the system more efficient, but to maintain and improve the quality of services... by making the most of the resources which we have available."²² Among the ways this was to be achieved was by "encouraging service providers, volunteers, communities and service users to work in partnership to take on more responsibility." The report suggests Ontario's system of social services was too reliant on government, too focused on later staged problems, and too hampered by a lack of coordination in its efforts to provide user-based services. MSWP called for "moving to outcome based funding, seeking alternative delivery and funding approaches and establishing new practice guidelines" while promising that "the Ministry itself will readjust its own business practices to support these objectives."²³

As well as outlining these general principles, MSWP called for a number of specific changes in the way children's services are delivered in Ontario communities. Suggested changes

included integrating access to information on available services, assessment, prioritization and referral of cases based on clients' needs. To implement these changes, service providers were required to create local restructuring committees. These committees were mandated to review existing programs and services, plan and implement the integration of assessment and referral functions and consider options for improving service "effectiveness and efficiency." The committees were disbanded following the completion of the restructuring process, without establishing mechanisms for evaluating of the costs and benefits following the implementation of their recommendations.

Agency Amalgamations

In a number of cases MSWP's emphasis on integration and centralization of services resulted in agency amalgamations. The rationale for such amalgamations was to achieve administrative efficiencies, reduce operating overhead and increase resources for direct service provision. In practice the opposite occurred.

On the Front Lines: Amalgamation Reduces Treatment Capacity

In Eastern Ontario, 16 child treatment agencies were amalgamated into four larger, integrated organizations.

Before the merger there were a total of 32 residential treatment beds available through three of the original agencies.

After the merger, the number of residential treatment beds staffed by mental health professionals dropped to eight – a 75 percent cut. Another eight beds are operated by therapeutic foster care homes and a parent-run group home, with minimal qualified mental health support.

The remaining 16 beds have been closed outright.

²² Government of Ontario: "Making Services Work For People", Ministry of Community and Social Services, April 1997 p.i; iii.

²³ Government of Ontario: "Making Services Work For People", Ministry of Community and Social Services, April 1997 p.iii.

Service Integration through “Central Point of Access Centres”

Another major objective of MSWP was the integration of assessment and referral services through the creation “Central Point of Access Centres.” The goal was to centralize assessment and provide referrals to available services based on the child’s need based on a case-management model. The assumption was that this would result in administrative efficiencies and a better use of available treatment resources. Here again, the promised efficiencies have often not materialized.

On the Front Lines: Beds Closed to Fund Integration

In Sarnia-Lambton, the creation of a Central Point of Access Centre was funded through a 50 percent cut in the number of Ministry-funded residential treatment beds (from 41 to 19) available to children with mental health problems referred from the community.

Meanwhile a number of the beds “lost” to the community are now funded on a per-diem basis by the local children’s aid society (CAS) and are available only to children who fall under the CAS’s child protection mandate.

In addition to the practical difficulties of integrating assessment and referral services in a system that is starved for funds, the creation of Central Point of Access Centres has raised alarm bells about a possible shift in the way local services are funded.

For example, agencies and staff are concerned that centralized assessment and referral may lay the basis for the introduction of “managed competition” or “individualized funding” models. Such a move would be a disaster for children’s mental health treatment, sacrificing quality and consistency of care to lower costs, disrupting programs and undercutting effective coordination of service delivery. (See the section on alternative

funding models for further discussion of managed competition and individualized funding.)

On the Front Lines: Service Integration Failures

In a number of communities, integration through Central Points of Access has floundered due to clients’ complex service requirements or needs that exceed the resources available in the community. In an increasing number of cases, a reduction in ministry-funded treatment beds has meant some children don’t receive the most appropriate services.

In other cases, parents have faced the choice of giving up custody to the local children’s aid society as the only way to access treatment services for their child. This unacceptable situation arises because CASs are legally obliged to provide services to children under their care, and are often the only service provider with access to residential beds – albeit through expensive OPI placements with no therapeutic component. This trend poses a challenge as CASs struggle to reduce their deficits.

Downloading

In 1997, at the same time as it launched MSWP, the provincial government also downloaded responsibility for provincially funded child care integration services to municipalities. In a number of cases, municipalities have subsequently awarded contracts to provide these services through a request for proposal (RFP) process. As a result, peer agencies with a history of collaboration – that must work together to coordinate other children’s services – have found themselves in a competitive bidding war to attract and/or retain funds and shore up dwindling budgets.

On the Front Lines: Downloading, RFPs and Service Disruptions

In a number of communities, children's mental health agencies with years – in some cases, decades – of experience delivering child care integration programs were unsuccessful in their bids to continue these services following downloading.

The result:

- Significant disruptions in service delivery.
- Negative impact on service provision by agencies that have lost an important source of funds.
- Lay offs of qualified staff in a field already plagued with retention problems.

Standardized Assessment Tools

MSWP also emphasized the goal of moving towards “outcome based” funding. As part of this focus on standardized case measurement, the Ministry promoted the adoption of two clinical screening tools:

- The *Brief Child and Family Phone Interview* (BCFPI) is a 45-minute telephone interview involving self-reporting by the parent or adolescent. The BCFPI generates a preliminary screening that may assist in guiding clients to appropriate services.
- The *Child and Adolescent Functional Assessment Scale* (CAFAS) is another screening tool performed following the initial treatment contact and completed by the clinician involved with the child and/or youth.

Both screening tools were implemented to increase the objectivity and efficiency of assessments and ensure that referrals were based on the individual child's needs. In many cases this is not the outcome. For example:

- The time required to complete the assessments has increased agencies'

administrative costs and reduced the staff time available for actual treatment services.

- The different methodologies used in the two screening processes can produce contradictory results. Serious issues are often underreported on the BCFPI, only to be identified later through the CAFAS. In such cases, initial referrals based on the BCFPI may be inappropriate and another referral required, resulting in unnecessary costs and delays.
- Finally, the BCFPI is now widely used to track referral volumes, agencies' “responsiveness” and the length of waiting lists for treatment. However, there is no standardized definition of what constitutes a “response” to an individual case referral. The growing focus on performance measurement has increased the pressure to reduce wait times, despite agencies' limited staff and resources. As a result, some agencies are turning to “brief intervention” models to speed case turnover, whether it is appropriate to clients' needs or not. Others are arbitrarily increasing clinician's caseloads beyond manageable levels to move clients off their waiting lists and improve their apparent “responsiveness”.

On the Front Lines: Performance Measurement and Distortion of Service Delivery

In the absence of meaningful standardized benchmarks, the pressure to demonstrate “responsiveness” has distorted service delivery.

One agency is reported to have increased the caseload for full-time clinicians from an average of 20-30 clients to 70 or more, to artificially reduce its apparent response time to new referrals. Caseload increases of this magnitude are not sustainable without compromising the quality and timeliness of the clinical services children and their families receive.

Recommendation: Develop a new comprehensive framework for children's mental health services based on the results of systematic, multi-stakeholder review.

The Government of Ontario must organize a systematic multi-stakeholder review of the full range of policy and funding issues facing our provincial child treatment system. The goal of this review should be to develop a new comprehensive framework for children's mental health services in Ontario to replace *Making Services Work for People* and address the serious problems that have resulted from its implementation.

This policy review and development process must address the following urgent issues:

- Changes in the clinical needs of children with mental health problems and the increasing demand for services.
- Defining the scope of "best practices" in the provision of children's mental health services and how they can be implemented to improve service delivery and effectiveness.
- The need to ensure adequate base funding for children's mental health services to restore and maintain the system's ability to respond to the needs of children, families and communities.
- Problems that have arisen as a result of agency amalgamations, downloading of services to municipalities, and the integration of local services through Central Point of Access Centres, including the impact of these changes on service delivery, quality, accessibility and costs.
- The difficulties that funding and policy issues have generated for service providers in their efforts to integrate programs into a stable network of services and streamline access based on clients' needs.

Recommendation: Freeze further service integration, agency amalgamations and downloading

The province should implement a freeze on the further integration of local services, agency amalgamations and downloading of services, pending a detailed review of the experience, costs, benefits and impact on service delivery of such measures since the release of *Making Services Work for People*. This review should include an evaluation of the BCFPI and CAFAS screening tools and their impact on the effective coordination of local service delivery.

Policy Changes in Child Protection, Youth Justice and Education Services

Since the introduction of *Making Services Work for People* in 1997 and the subsequent restructuring initiatives, children's mental health services have been profoundly affected by significant changes in the delivery of other services for children and youth – including child protection, youth justice services and the education system.

In many cases, these changes have resulted in increased caseloads for the children's mental health system, with no corresponding increase in funding. The results often include increased demand for already severely limited services and/or a reduction in services available to other children and youth referred from the community.

Child Protection Changes and Children's Mental Health Services

Under Ontario's *Child and Family Services Act* (CFSA), children's aid societies are legally required to provide child protection services, while the Government of Ontario is responsible for funding mandated services. Despite the differences in their mandates and funding mechanisms, children's aid societies have close links with community-based children's mental health agencies. In communities across Ontario, these two types of agencies must often work closely together to coordinate services for high-risk children and youth. Recent changes have made efforts to integrate children's services more difficult.

In 1998 the province assumed 100 percent responsibility for funding Ministry-approved CAS expenditures as part of its "Child Welfare Reform Agenda." The goal of the new funding framework was to reduce budget overruns for mandated services by providing "a rational and equitable approach" to funding child protection

services.²⁴ However, the Child Welfare Reform Agenda did not produce the desired effect, with CASs continuing to experience crushing budget deficits.

In 2000, amendments to the CFSA were proclaimed that broadened the ground under which children's aid societies are obliged to provide child protection services to include "neglect." The result has been a 34 percent to 47 percent increase in the number of children and youth who meet the threshold for mandatory child protection, escalating the system's budget crisis. In 2003-04 50 of Ontario's 52 CASs were expected to run deficits, totaling \$76 million province wide.²⁵

In response to these pressures, children's aid societies have been directed to narrow their focus to concentrate on "pure" child protection services. As a result, CASs have largely withdrawn from providing in-home family support and counselling services and other programs aimed at preventing the need for child protection. While it isn't possible to identify clients who would previously have received this type of service through a CAS, children's mental health agencies have experienced an increase in the demand for such services as communities turn to them to "pick up the slack."

On the frontlines:

I'm able to provide children and their families with strategies and skills to address their problems before they escalate.

Social Worker

Children's Mental Health

²⁴ Ministry of Community and Social Services. (1999). Guide to the Child Welfare Funding Framework. p 1, 2.

²⁵ OPSEU. (2004). It's All About Public Services: Rebuilding Ontario. p. 30.

Because children's mental health agencies are required to balance their budgets, an increase in cases formerly handled by CASs means a reduction in the availability of services to the rest of the community. By narrowing the focus of services provided and funded under the provincial child protection mandate, the province has produced a net reduction in program spending, while increasing the demand on the already overburdened children's mental health system.

Children's aid societies have also increased their reliance on "outside paid institutions" (OPIs) to house children in their care. OPIs typically involve placing children in group-homes run by "for-profit" agencies that are paid on a per-diem rate. Often these facilities house both victims and perpetrators of abuse under the supervision of employees who have limited training and resources and are unable to provide appropriate treatment or counselling. As a result, OPIs frequently rely on local children's mental health centres to complete specialized assessments and provide counselling services. This too has increased demand for mental health services without an increase in funding. Per-diem payments of \$300 or more per day for each child that should be used to fund residential treatment in a children's mental health program are lost to the private sector.

Ironically, another trend has emerged among cash-strapped children's treatment agencies that can no longer fund their residential treatment programs. Where Ministry-funded beds were "lost" during the restructuring process, agencies are increasingly forced to contract beds to children's aid societies as OPI placements to recoup the lost service dollars. While this may help the mental health agency address short-term cash-flow issues resulting from cuts to their base budgets, it does nothing to reverse the loss of community treatment spaces. At the same time, OPI placements often involve moving children who are in the care of a CAS out of their local

communities, which only increases their risk of serious psychological, emotional or behavioural problems.

These changes in provincial policy and funding for child protection services have created significant issues for the delivery of children's mental health services. They suggest the need for a review of provincial government policy and funding for child protection services, to ensure that they reflect the scope of services CASs are required to provide under the CFSA. At the same time they provoke the question of whether establishing a legislated mandate for children's mental health services similar to that governing child protection – and an obligation that the province provide the funding for mandated services – would result in more consistent access to key services across the province.

On the frontlines:

I work for an agency that provides prevention, early intervention, assessment, treatment and residential services. I'm a key member of a multidisciplinary team that helps families manage stressors that are impacting the quality of their relationships with each other and/or with their community, schools or the law.

Because of our work, we have safer, healthier children and youth who can fully engage in all that life has to offer.

Social Worker
Clinical Services

Youth Justice Services

Canada's *Youth Criminal Justice Act* (YCJA) came into effect on April 1, 2003. This legislation mandates significant changes including series of extra-judicial alternatives to custody and sentencing aimed at preventing youth from becoming overtly involved in the justice system when the severity of their offence doesn't warrant

it. Alternatives that may be employed to deal with less serious crimes include referral to community based treatment and support programs, including children's mental health services.

The changes in the YCJA are expected to have the following implications for children's mental health agencies in Ontario:

- An increase in referrals to children's mental health agencies. While some young people referred under the YCJA may identify themselves as young offenders, or be identified by other parties, other young offenders may not be identified to treatment providers leaving it difficult to quantify the impact of the changes in the Act on agencies' caseloads, budgets and ability to respond appropriately to client's needs.
- Some children's mental health agencies receive separate funding for performing court-ordered assessments under the YCJA. While it is assumed that such funding will continue, it's not clear whether additional funding will also be made available to cover the cost of treatment for young offenders referred under the Act.
- Increases in the number of clients with more complex behavioural, emotional or other clinical issues associated with involvement with the justice system. While individuals' needs will vary, it's likely that young people referred to treatment under the YCJA may be dealing with more complex problems and require more intensive day or residential treatment. In addition, clients referred under the YCJA may be less open to engaging fully in the treatment process if they perceive themselves to be unwilling participants whose only alternative is custody. These factors will affect the course of treatment and the likelihood of a successful outcome, as well as the cost to agencies of providing services that match the individual's needs.

- Potential increases in agencies administrative workload and overhead costs, resulting from participation in local "Youth Justice Committees," which are responsible for helping coordinate programs and services required by the young offender and/or additional documentation requirements for youth referred under the YCJA.
- It is reasonable to anticipate that the new YCJA will result in some increase in the caseloads of children's mental health agencies. Since there has been no corresponding increase in funding to date, the result will be an increase in the demands on agencies' limited budgets and a reduction in the availability of services for other clients referred from the community. It's not yet possible to determine the size of these impacts.

Changes in the Educational System

Various changes in Ontario's educational system have also had an impact on children's mental health services. For example:

- The passage of the *Safe Schools Act* in 2001 increased the number of children and youth expelled from school for behaviour that typically has mental health implications. While statistics are not available, this has had some impact on children's mental health agencies' caseload and/or on the course of treatment of young people who have been affected.
- Changes to the *Education Act* now require external reports by a qualified children's mental health professional to support ISA (Intensive Support Amount) submissions. Again, while statistics are not available, anecdotal reports suggest that this has resulted in additional administrative demands on some treatment providers.

- Cuts in funding for school psychologists and other “non-classroom” programs are likely to reduce the number of referrals to children’s mental health services resulting in delayed identification and referral, increasing the severity of problems and demand on treatment resources.

Again, while these and other changes in Ontario’s educational system may have an impact on community-based children’s mental health services, the information is not available to determine the size or nature of these impacts beyond an anecdotal level.

Recommendation: Review the impact of changes in the delivery of child protection, youth justice, education and other youth services

As part of a broadly-based review of the issues facing the children’s mental health treatment system, the province and key stakeholders should address:

- The impact of changes in the mandates, priorities, funding and delivery of related services for children and youth – including child protection, youth justice and education – on demand for children’s mental health services.
- The difficulties that funding and policy issues have generated for service providers in their efforts to integrate programs into a stable network of services and streamline access based on client need.
- Whether establishing a legislated mandate for children’s mental health services– and an obligation that the province provide the funding for mandated services –would result in more consistent access to key services across the province.

Impact of Alternative Funding Models

As noted in above, a significant cause of the current crisis in children's mental health services has been the erosion of provincial funding for core services and the province's increasing use of a range of alternative funding models. These include targeted and project based funding, grants and other forms of competitive funding. Other alternative models that are not yet widespread in the child treatment sector, but which would pose serious risks to the system, include the use of Request for Proposals (RFPs) - "managed competition" and/or "individualized funding" to allocate funding for the provision of core services.

On the Front Lines: Project-Based Funding and Staffing and Service Issues

The growing emphasis on project- or grant-based funding has also increased reliance of short-term contract employment. This in turn has caused increased staff turnover, as staff leave when full-time permanent jobs become available in other agencies or sectors.

In one typical case, a contract employee resigned one month into a three-month contract position after finding secure employment outside the child treatment sector. For clients and their families, seeing a succession of different workers is often very disruptive and can have a severe impact on the quality and effectiveness of care they receive.

In some areas such as autism treatment programs, targeted funding has resulted in the creation of new job classifications for which there is a shortage of qualified individuals in the province. As a result, families are experiencing significant delays in accessing services, while agencies are incurring additional costs trying to identify and recruit qualified applicants.

Targeted Funding

Since the launch of MSWP, the provincial government has increased its use of new funding models that "target" resources to specific services or time-limited projects. Such funds are typically allocated to fill specific gaps in service, such as Intensive Behavioural Intervention for autistic children up to age six, Crisis Intervention programs, Intensive Child and Family Services, services for pre-school children (Early Years and 0-6 programs), and the implementation of the BCFPI screening tool.

In some cases, these targeted funds represent "new money" added to the total funding envelope for children's mental health, while in other cases funds are diverted from transfer payments for base funding.²⁶ In either case, the growing use of targeted funds has generated its own set of problems. While targeted funds are designed to help meet the need for important – and often intensive – services for specific clients, they do nothing to address the overall crisis in the system's capacity.²⁷

The unintended result is the emergence of a two-tier system, in which clients receive different treatment based on specified criteria. In a review of the restructuring of social services under the Conservative government, Judith Maxwell noted:

The negative side of targeting is the way that boundaries – either income or symptoms of need – are set...If the targeting is based on categories or symptoms, then difficult issues of inclusion and exclusion occur. For example, Ontario has established a comprehensive system of program supports for autistic children. While these supports are vital for

²⁶ CMHO. (2004a).

²⁷ Office of the Provincial Auditor of Ontario. (2003). p. 52, 59.

*these particular children, those with other mental health challenges are unlikely to receive the same treatment.*²⁸

In addition to establishing higher standards of access for specific clients, targeted funding can lead to a *net reduction* in service for other clients in the community. Targeted funds often limit or exclude administrative and overhead costs, placing extra demands on agencies' already limited base budgets. Targeted funding can also draw staff and other resources from other programs. As a result, the growing use of targeted funding undercuts local agencies' ability to deliver programs based on clients' needs and the priorities of the communities they serve.

Competitive Funding, “Managed Competition” and “Individualized Funding”

The increase in targeted funding has contributed to a second trend – the increase in the use of various forms of competition to allocate resources. This includes the growing use of Trillium and other grants and the tendering of service contracts through requests for proposals (RFPs). The introduction of competition for

limited funding has had a number of negative

On the Front Lines: Competition for Funding Distorts Agency Priorities

Many agencies are now hiring “fund development officers” or professional proposal writers on contract in an effort to secure or retain scarce program dollars. Ironically, such work is funded by reducing the already limited resources available for front-line treatment services and staff.

Preliminary anecdotal reports also suggest that community fundraising is hampered by major capital campaigns by local hospitals. One agency in Southwestern Ontario now conducts an annual “internal fundraising” campaign, asking staff for personal donations to a transportation fund that helps clients on fixed incomes attend appointments.

effects.

Competitive funding models typically subordinate quality and consistency of service to “cost effectiveness.” As a result, agencies that have the necessary expertise and already provide identical or related services have lost competitions based on narrow cost considerations alone.

At another level, community-based agencies that used to work collaboratively to address the needs of individual clients and the community as a whole now find themselves competing with one another to secure funds and shore up their dwindling budgets. Inter-agency competition is also a by-product of the growing importance of charitable donations and grants as a source of supplementary funding. In each case, competition for resources is undercutting collaboration among service providers who must be able to work together to coordinate services to meet the needs of clients and the community. The growing reliance on competitive funding models is short sighted and represents poor community planning.

On the Front Lines: Managed Competition and Disruptions in Service

In two communities, agencies that had provided child development and early intervention/ prevention programs for upwards of 25 to 30 years failed in their bids to run the Early Years Centres, despite their evident expertise.

This mirrors the crises caused by the introduction of competitive bidding processes in the home care sector, where agencies with a history of providing quality care have been undercut based on narrow cost considerations.

²⁸ Judith Maxwell, Canadian Policy Research Network, *The Great Social Transformation: Implications for the Social Role of Government in Ontario*, September 2003, p14.

To date, there has been no widespread introduction of “managed competition,” or the systematic use of RFPs/competitive bidding processes to award contracts for the provision of core services in the children’s mental health system. (Notable exceptions include the use of RFPs to select service providers for Early Years programs and, in some communities, to select providers for child care integration programs following downloading to municipalities.) However, agencies and their staff are concerned that the centralization of assessment and referral services as mandated under MSWP could lay the basis for a system in which clients are referred to agencies or other service providers selected through a competitive bidding process. As the experience in the home care sector shows, this approach to funding and delivery of service subordinates quality, consistency and accountability to cost – particularly in periods when resources are scarce – and leads to severe disruptions in service.

Equally disturbing is the possible introduction of an “individualized funding” model at some point in the future. This would involve the allocation of a set amount of treatment funds to each client based on the centralized assessment. Families would then “choose” from among available service providers, which could include private, unregulated and informal services as well as programs available from publicly funded children’s mental health centres.

We are not aware of any formal plans to introduce individualized funding in the children’s mental health sector. However, a recent discussion paper issued as part of a review of services for people with developmental disabilities raised the question of increased “individualization” and “portability” of funding.²⁹

Such a model would prove disastrous for the children’s mental health system and children and families in need of services. Individualized funding would mean even more uncertainty and instability in the way agencies are funded, making it much more difficult to coordinate services effectively and resulting in further service disruptions. It would also undercut effective case management – as families are forced to assume responsibility for accessing services – reduce accountability for how funds are spent, and make it impossible to maintain standards or monitor treatment quality and outcomes.

Kids need stability.

Stable funding for core services means:

- ✓ Ability to provide better quality services.
- ✓ Shorter wait times.
- ✓ Fewer disruptions in treatment.
- ✓ Less gaps in services.
- ✓ Lower staff turn-over.
- ✓ Help kids can count on.

²⁹ Joint Developmental Services Sector Partnership Table. (2004). Transforming Services for People Who Have a Developmental Disability: Preliminary Discussion Paper. October, 2004.

Recommendation: Review the potential risks and consequences of expanding the use of “alternative funding models” for children’s mental health services

As part of a broadly-based review of the issues facing the children’s mental health treatment system, the province and key stakeholders should address:

- The impact of alternative funding models – including targeted and project-based funding, grants, competitive bidding and “managed competition” – on the quality, stability and accessibility of an appropriate range of services based on client needs.
- The problems that the introduction of these alternative funding models have generated or would generate for service providers in their efforts to integrate programs into a stable network of services and streamline access based on clients’ needs.

Recommendation: Commit to a moratorium on the expanded use of alternative funding models

The province should announce a moratorium on the expansion of alternative funding models until the impact of these models can be fully assessed as part of the development of a new framework.

Establishing a New Policy Framework for Children’s Mental Health Services

The continuing crisis in children’s mental health services in Ontario has profound implications for the health and wellbeing of children in need, their families and our communities. Taken together, program cuts, gaps in service, declining treatment capacity, increasing demand and growing waiting lists mean children with mental health problems are encountering significant barriers in accessing the services they need to live healthy, productive and independent lives. For children and their families, the results include additional pain and frustration, aggravated symptoms, an increased risk of serious harm and poorer prospects for recovery.

Rebuilding the children’s mental health system will require concerted action by the Government of Ontario, in collaboration with families and communities, children’s treatment agencies and staff representatives and representatives of other children’s services providers.

At one level, the province must move immediately to restore and maintain base funding for children’s mental health services at 1993 levels, to address fundamental issues of treatment capacity and the sustainability of services. At the same time, the Ministry of Child and Youth Services must undertake a systematic, multi-stakeholder review of the wide range of policy and funding issues confronting the child treatment system.

Engaging families, mental health agencies, their staff representatives, other children’s services providers and community groups is essential to the success of this policy review process. Their input will be key to identifying practical solutions for improving the coordination and delivery of services and establishing a new, comprehensive policy framework to ensure the sustainability and cost-effectiveness of children’s treatment services over long-term.

Recommendation: Develop a new comprehensive framework for children's mental health services based on the results of systematic, multi-stakeholder review

The Government of Ontario must organize a systematic multi-stakeholder review of the full range of policy and funding issues facing the province's child treatment system. The goal of this review should be to develop a new comprehensive framework for children's mental health services in Ontario to replace *Making Services Work for People* and address the serious problems that have resulted from its implementation. This policy review and development process should specifically address the urgent issues identified in this report.

Recommendation: Ensure broad participation by key stakeholders in this policy review process

To be successful, a new policy and funding framework for children's mental health services in Ontario must address the full range of issues facing the system and reflect the needs and experiences of families, communities and service providers. The proposed policy review must therefore involve community and family representatives, children's mental health agencies and their staff, and service providers in related fields including the child protection, youth criminal justice and education systems.

As the bargaining agent for more than 1,800 front-line children's' mental health workers in 28 agencies, OPSEU would welcome the opportunity to provide input to this process.