

# **Nova Scotia's New Individualized Funding (IF) Model**

January 29, 2025

# Agenda

- Individualized Funding In Practice
- Methodology for developing funding bands
- Q&A

## Before we begin, please remember

- IF is being rolled out gradually over three years
- We will revisit, evaluate and adjust IF as we learn from the limited roll out.
- An external evaluation of Individualized Funding is required under the Remedy
- We are partners we want you to succeed.
- Current funding remains unchanged

# Individualized Funding In Practice

# What does individualized funding include?

Individuals accessing IF will receive funding for:

- 1) **Supports**, 2) **Basics**, and be eligible to receive 3) DSP **Special Needs**



**Supports** funding can be used to purchase services, supports and other items under the **Allowable Usage Framework**. This includes direct support hours, day programming, and costs associated with community inclusion.

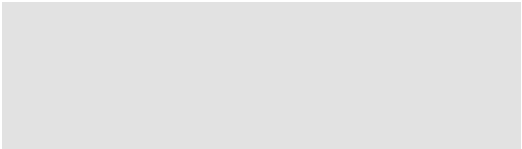
- The Supports portion of an individual’s funding increases with their Support Level.

Each Support Level is associated with a **funding cap** (e.g., \$25k per year for Support Level A), representing the maximum funding level that individual can access (without a policy exception).

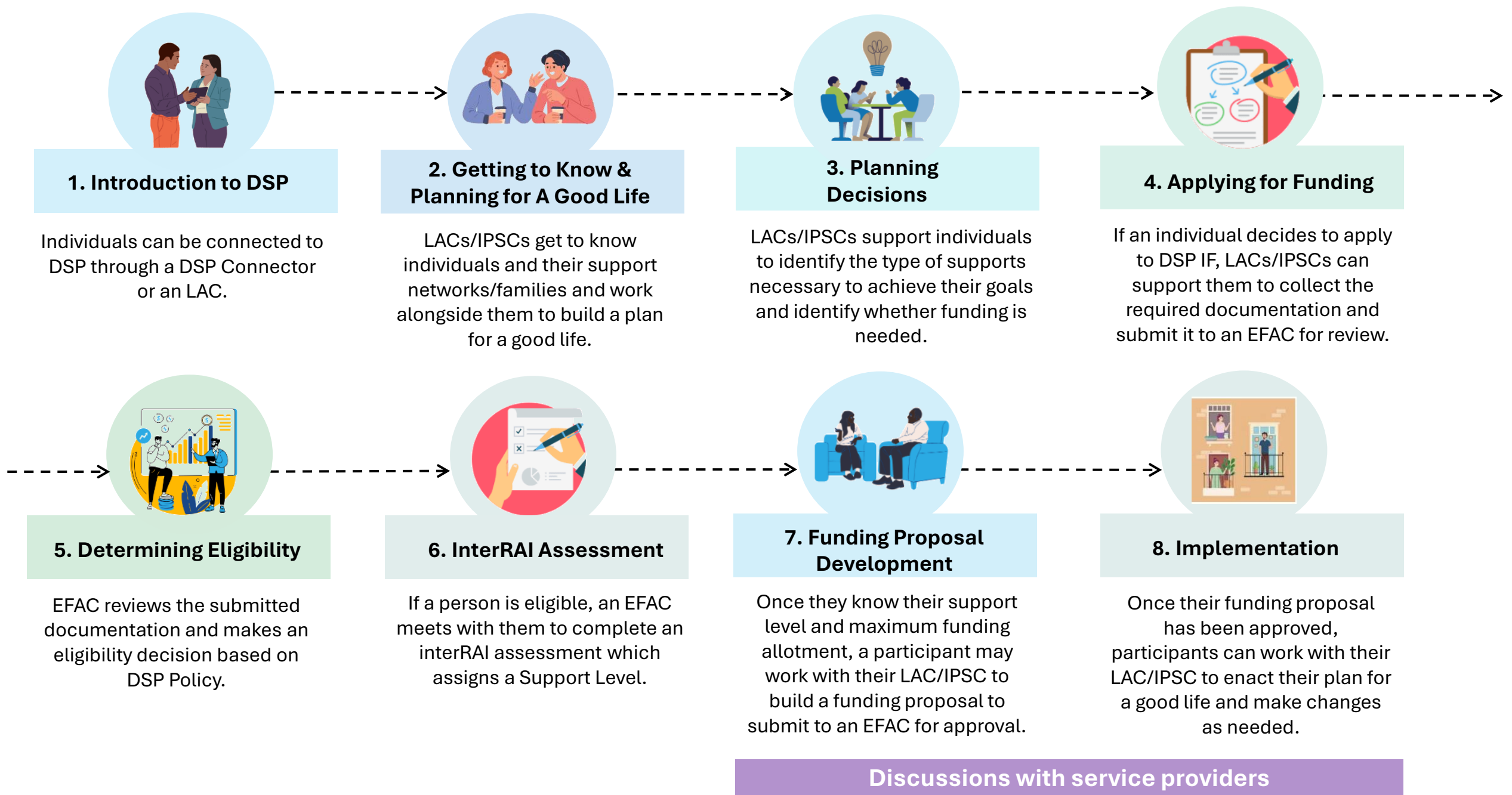


**Basics** provides funding to individuals for the Standard Household Rate (e.g. food and shelter), and predictable monthly expenses, such as over-the-counter medications and medical supplies.

- Basics do not increase with Support Level.



**Special Needs** will continue to be administered in accordance with the current policy. However, some recurrent, predictable special needs will move into the Basics category to reduce administrative burden (e.g., special diet, transportation).



# IF Management Options

There are multiple ways a participant may choose to manage their IF – they may want to do it themselves, have the support of a provider, or a combination of both.

| DSP Provider-Managed                                                                                                                                                                                                                                                                                     | Combination                                                                                                                                                                                                                                            | Self-Managed                                                                                                                                                                                                |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>The DSP Provider holds <b>all the IF</b> in trust for the participant and provide required supports.</p> <p>In some cases, the participant and service provider also work together to determine how some funds could be used for other services or supports in community (e.g., cooking lessons).</p> | <p>The participant asks DSP to send a <b>portion of funds</b> to a SP to manage on their behalf (e.g., supports for activities of daily living).</p> <p>The participant receives the money they want to self-manage (e.g., basics and recreation).</p> | <p>The participant is responsible for administering and accounting for <b>all</b> their IF.</p> <p>The participant is responsible for ensuring services are paid for and proper record keeping is done.</p> |
| <div><ul style="list-style-type: none"><li>• Participant</li><li>• A bookkeeper</li><li>• Support Network</li><li>• IF Service (Backbone)</li></ul></div>                                                                                                                                                |                                                                                                                                                                                                                                                        |                                                                                                                                                                                                             |

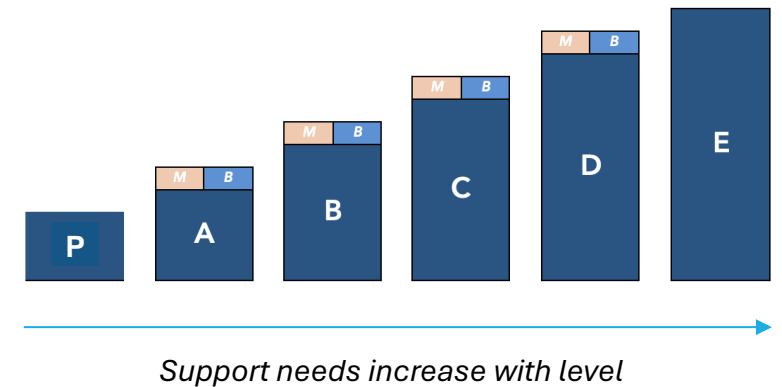
Methodology used to develop funding bands



# Policy Background

The **Support Level Framework** replaces the existing **Level of Support Framework**.

- Data from the new assessment (interRAI) is used to place individuals in a Support Level based on predicted intensity of supports needed.
- Level P can receive planning supports only, while Level E would be considered “complex cases”.
- Each level will be associated with a funding cap and plans with cost below the cap can be approved by the EFAC.
- Spending within the level is governed by the Allowable Usage Framework and the individual’s plan.
- Individuals can receive additional funding (based on assessment) for:
  - **Medical Supports** – such as nursing services. This amount can be spent on medical supports identified in a support plan only.
  - **Behavioral Supports** – this amount can be spent based on the allowable usage framework (i.e. additional staff to support behaviour escalations).



This framework’s development was informed by a study conducted from late 2020 to September 2022, involving 800 randomly selected individuals.

# Methodology

To determine funding caps, a mixed quantitative and qualitative methodology was used:

## 1. Historical Data Analysis

- Historical payment data for DSP participants was analyzed to understand spending patterns based on individual's Support Level.
- The analysis was then used to predict what each individual might spend based on parameters in the new individualized funding policy.
- Initial funding caps were set based on historical data, program usage and funding.

## 2. Case Study Analysis

- Initial funding caps set by the historical data analysis were then validated by developing case studies based on 60 DSP participants.
- DSP staff created sample budgets for each individual based on their anticipated support needs under Individualized Funding.
- Final funding caps set by the historical data analysis were then adjusted based on the results of the case studies.

# Approach using Historical Payments

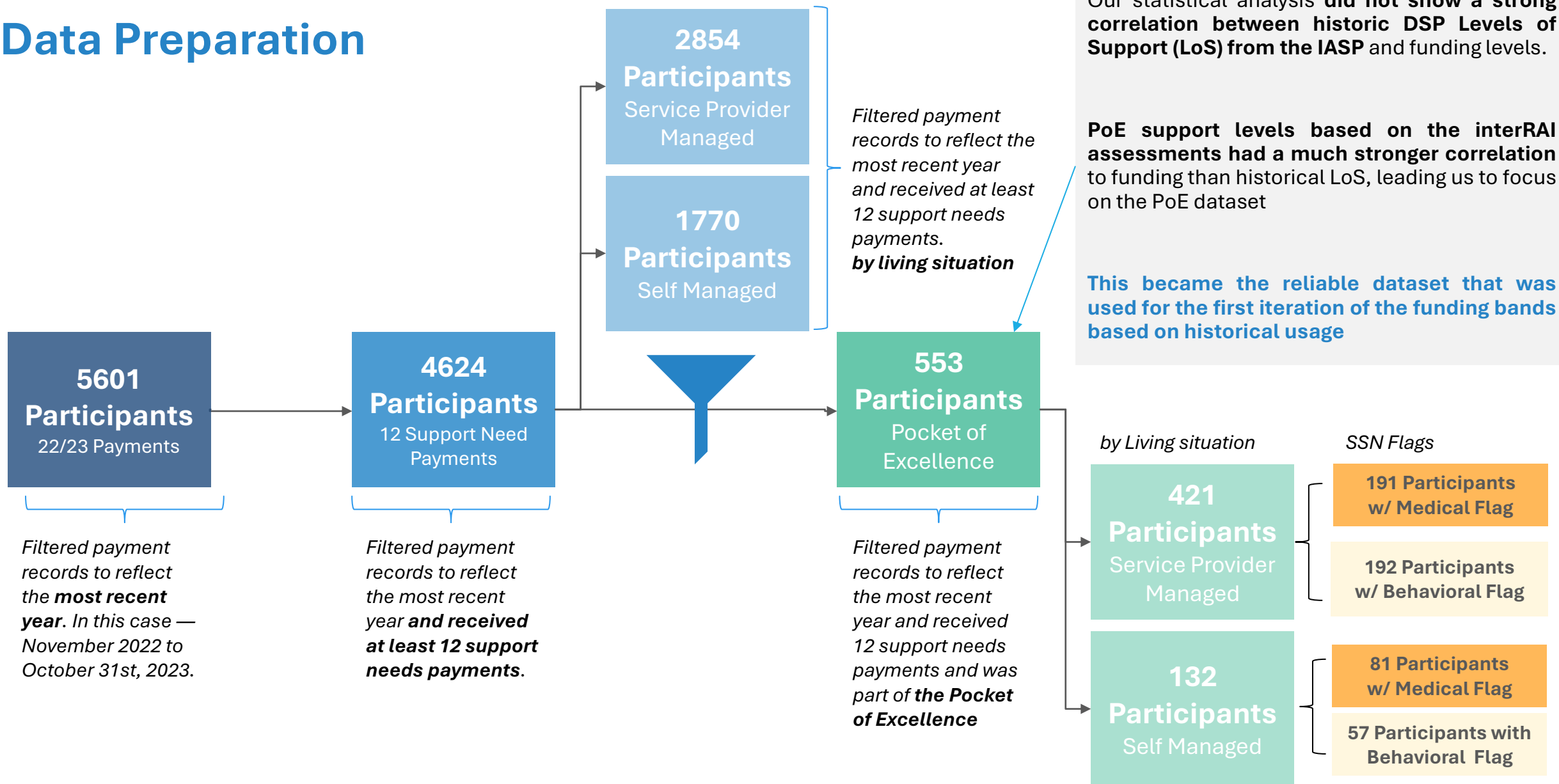
## **Beginning with Historical Payments:**

We reviewed the historical payment records of DSP participants in the PoE who received at least 12 support needs payments from November 2022, to October 31<sup>st</sup>, 2023 — as a reference to guide future support needs funding decisions.

- Analysis was conducted using payments made to individuals in individualized funding programs (ILS and Flex), AFS, and residential programs, excluding RRCs, ARCs, RCFs.
- Group Homes and Developmental Residences were included because the smaller occupancy leads to a better correlation between the funding attached to a participant and their individual support needs, as confirmed by statistical analysis.
- RRCs, ARCs, and RCFs were excluded because the larger occupancy and per diem approach eliminates any correlation between the funding attached to a participant and their individual support needs.

A regression analysis was conducted to model historical payments.

# Data Preparation



# Historical Funding | Findings from Data

## Summary of Findings

- Mixed regression modeling indicated that:
  - Funding needs increased with GSN Support Level
  - An interRAI flag for Behaviours led to approximately a \$40K increase in funding across GSN Support Levels
  - An interRAI flag for Medical did not have a strong correlation to funding
- These values became the starting point for validation and refinement via additional case studies
  - These initial results based on historical data were not shared with Care Coordinators developing the case studies to avoid potential bias in the results
- An individual's **funding cap will consist of the GSN + SSN** components.
  - For example, an individual in B with a Behavioral Flag could receive up to \$35,000 (GSN) + \$40,000 (SSN) for a total of up to \$75,000.
- Additional funding components were then considered for day programming and service provider admin costs

# Approach Using Case Studies

## Case Study Analysis

The objective of this review was to validate and iterate on the funding bands initially set by the **historical data analysis**. The analysis is intended to:

- Compare the results of the historical analysis to staff estimates for support needs by Support Level
- Provide recommendations on adjustments to the initial bands based on the historical analysis

## Methods

Care Coordinators were asked to review 50 cases across Support Levels P to E and estimate the number of support hours the individual would require for ADL/IADL supports, behavioral supports, and medical/other specialist supports.

- Staff used ICM/CCM case notes, interRAI assessments, and spoke with Care Coordinators to provide estimates.
- Workshops were held to review support needs and align on application of the new IF policy to individual situations.
- Support needs/hours estimates were then used to calculate individual budgets for each case reviewed.

| Support Level | Cases Reviewed |
|---------------|----------------|
| P             | 2              |
| A             | 11             |
| B             | 9              |
| C             | 11             |
| D             | 9              |
| E             | 8              |
| Total         | 50             |

# Assumptions and Limitations

## Assumptions

- Funding bands do not include **proposed administrative fee for individuals having their supports managed by a DSP** Service Provider, or **proposed \$210 per month** administrative funding for self-managed individuals.
- This analysis is based on **funding bands developed through the historical data analysis**, with **an additional \$12,480 per individual added for day programming funding**.
  - This is based on the total funding for day programs divided by the number of day program participants (25.3M and 2,024 in FY 23/24 respectively).
  - Aligns with funding provided through My Days program and forecasted in Remedy R&R funding request
- Budget estimates in case studies were developed using the RRW standard rate of \$34.68 per hour of service. It is assumed that a standard rate for services will not be mandated.
- **Individuals requiring supports funding outside of their band**, and individuals in Level E, will go through an exceptions process (i.e. approval thresholds and/or innovations panel).
- While the funding band will set a cap on the maximum funding available without an exception, the **specific amount of funding a person receives will depend on their plan**.
- Funding bands will be reviewed and evaluated.

# Support Level A

## Historical Analysis Suggested Cap:

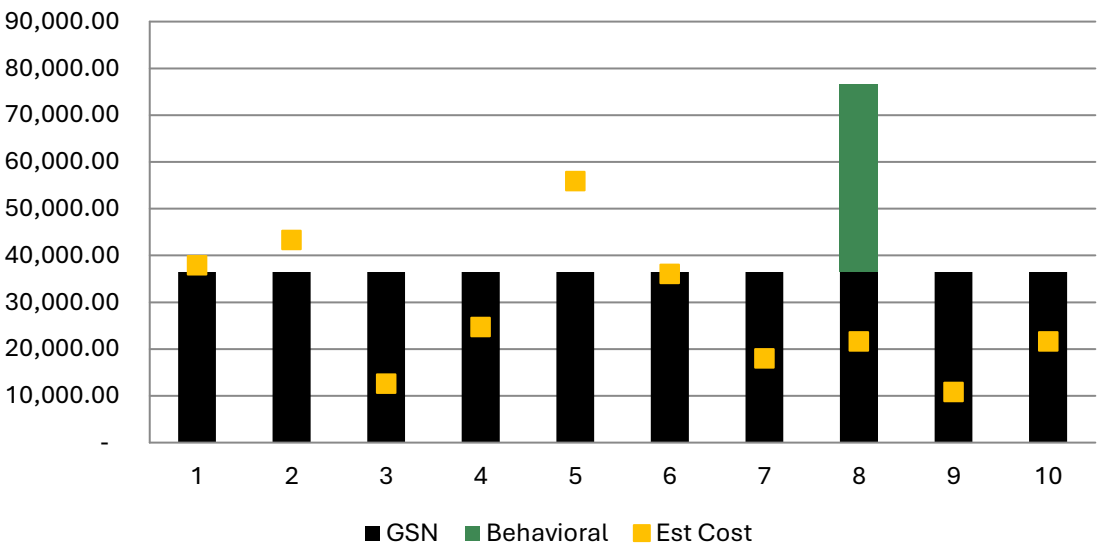
\$24,000 + \$12,480 day program funding = \$36,480

- 11 cases were reviewed in Level A. One was removed as an outlier.
- 70% of cases reviewed in level A had estimated supports within the funding band, once day programming funding was added.
- This level represents approx. 620 participants in DSP.

## Recommendation

- Case study result suggests cap set by historical analysis may be low for some individuals.
- **Setting funding level to \$40,000** would increase projected coverage to 80% for cases studied.

Level A – Funding Band vs Est Cost



|                   | Historical Analysis | Proposed Cap |
|-------------------|---------------------|--------------|
| GSN               | \$24,000            | \$27,520     |
| Day Programming   | \$12,480            | \$12,480     |
| Total Funding Cap | \$36,480            | \$40,000     |



# Support Level B

## Historical Analysis Suggested Cap:

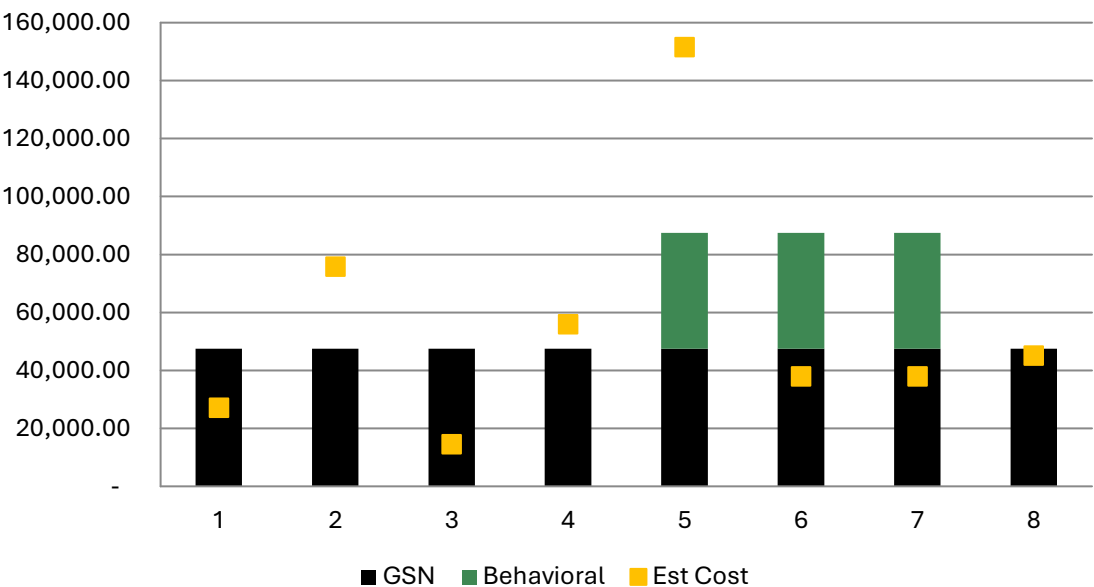
\$35,000 + \$12,480 day program funding = \$47,480

- 9 cases were reviewed in Level B. One was removed as an outlier.
- 62% of cases reviewed in Level B had estimated supports within the funding band, once day programming funding was added.
- This level represents approx. 2,329 participants in DSP.

## Recommendation

- Case study suggests cap set by historical analysis is too low for some individuals in this group.
- **Setting funding level to \$55,000** would increase projected coverage to 75% for cases studied.

Level B – Funding Band vs Est Cost



|                   | Historical Analysis | Proposed Cap |
|-------------------|---------------------|--------------|
| GSN               | \$35,000            | \$42,520     |
| Day Programming   | \$12,480            | \$12,480     |
| Total Funding Cap | \$47,480            | \$55,000     |

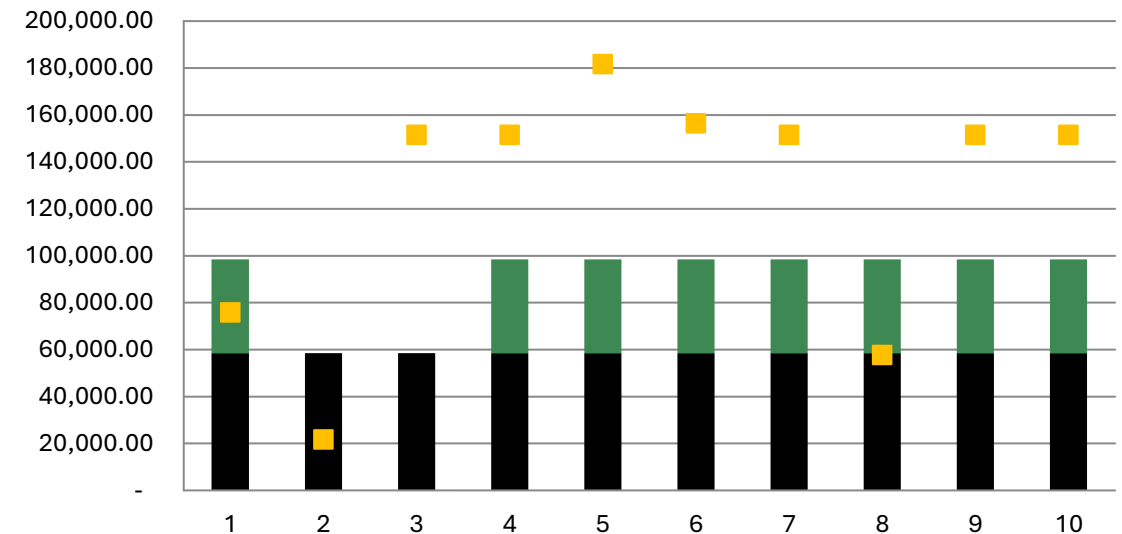
## Support Level C

### Historical Analysis Suggested Cap:

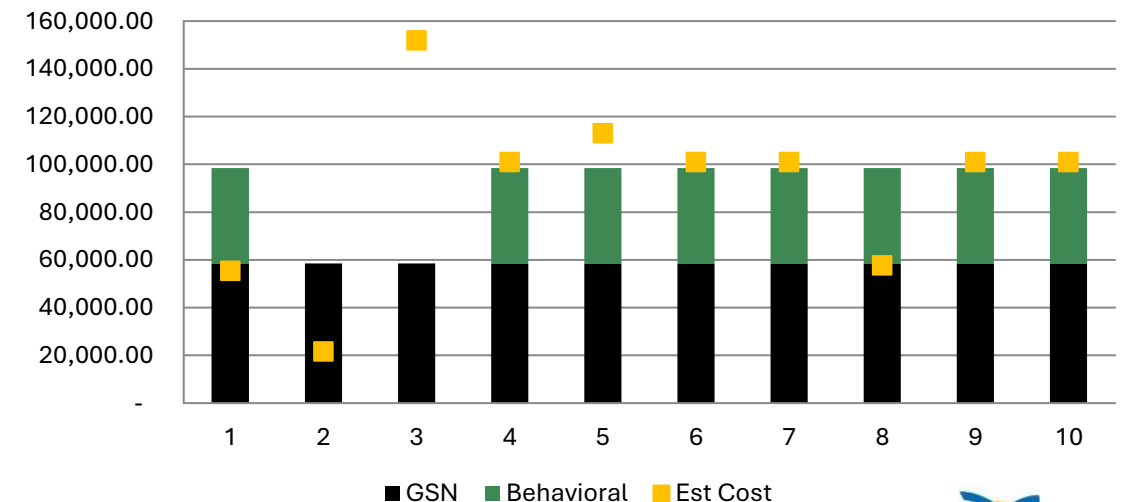
\$46,000 + \$12,480 day program funding = \$58,480

- Reviewed cases in C contained significantly more complexity than A and B; **with many cases required 24/7 shared supports.**
- This level represents approx. 2,234 participants in DSP.
- Bands set by historical analysis do not provide enough funding to allow 3 people to combine funding and afford 24:7 supports.
- Most individuals in this level had a Behavioral flag.
  - The PoE sample indicated about 60% of level C would receive this funding.

Level C - Funding Band vs Est Cost  
(2 sharing)



Level C - Funding Band vs Est Cost  
(3 sharing)



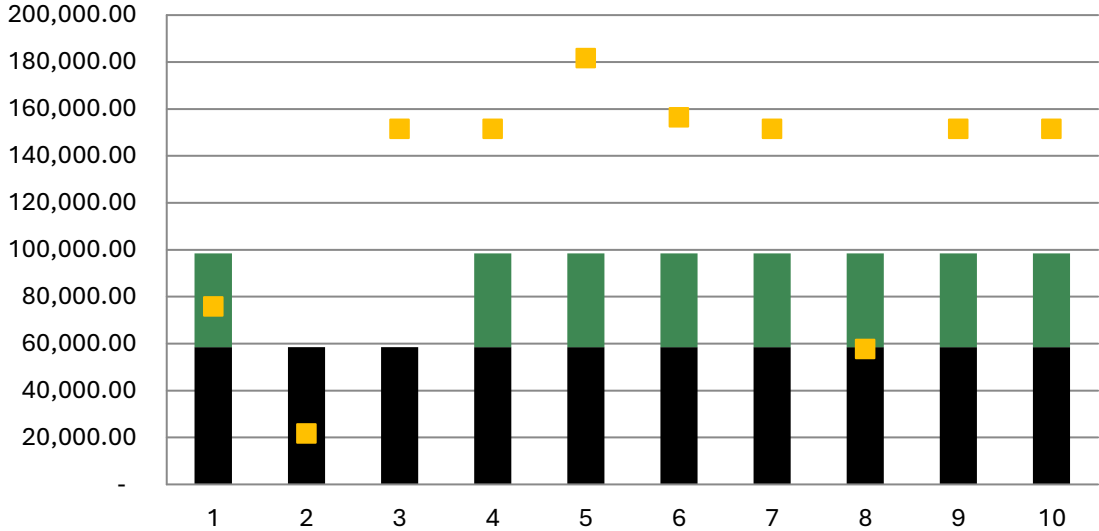
# Support Level C

## Recommendation

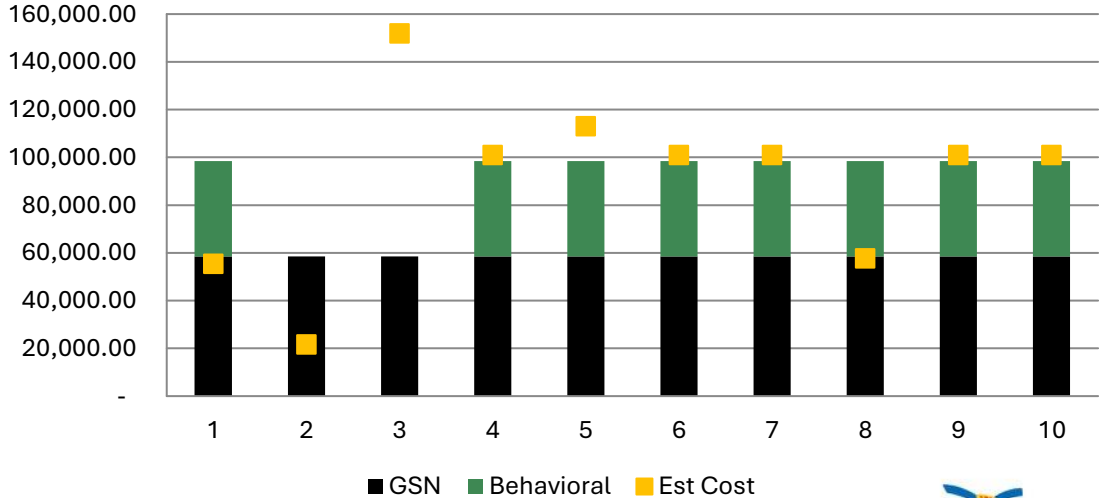
- Case study suggests cap set by historical analysis is too low to support 3:1, 24/7 staffing.
- **Setting Level C funding cap to \$75,000** would allow 3 participants with Behavioral flag to shared 24:7 supports and still allow funding for day programming and activities.
  - All case studies who required 24:7 supports also had a Behavior SSN flag.

|                   | Historical Analysis | Proposed Cap |
|-------------------|---------------------|--------------|
| GSN               | \$46,000            | \$62,520     |
| Day Programming   | \$12,480            | \$12,480     |
| Total Funding Cap | \$58,480            | \$75,000     |

Level C - Funding Band vs Est Cost  
(2 sharing)



Level C - Funding Band vs Est Cost  
(3 sharing)



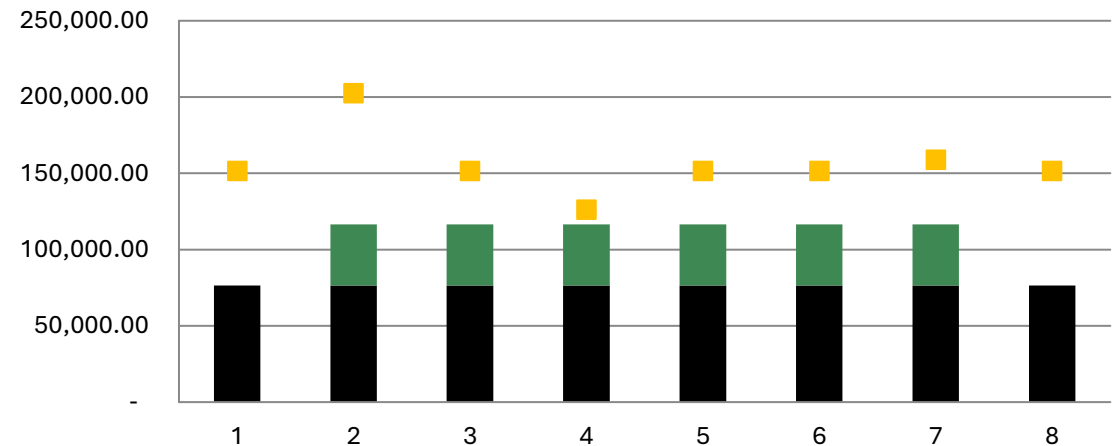
## Support Level D

### Historical Analysis Suggested Cap:

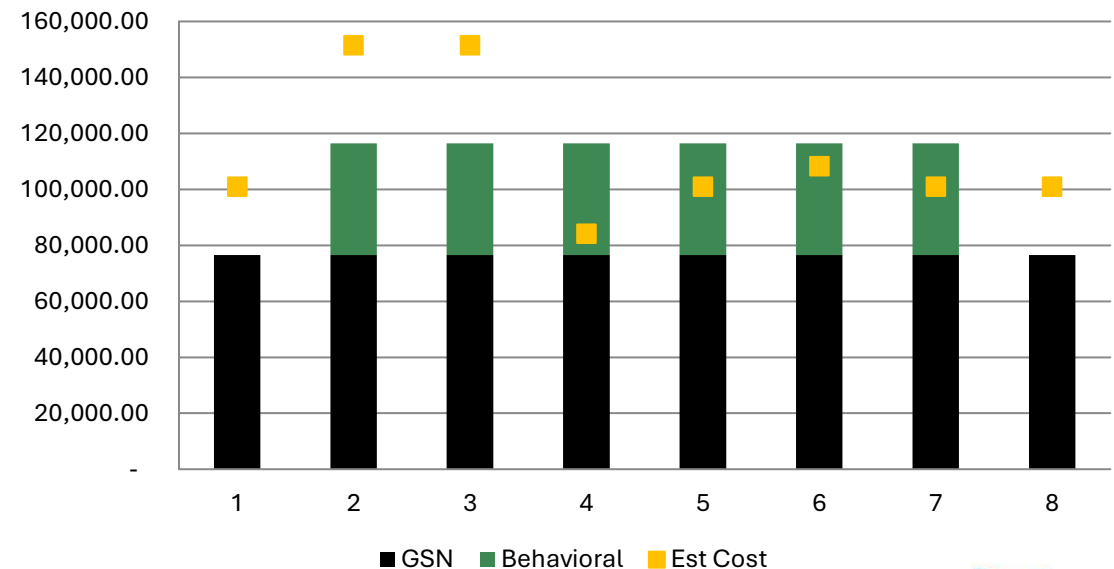
\$64,000 + \$12,480 day program funding = \$76,480

- 8 cases were reviewed in Level D.
- Reviewed cases in D had similar support needs to those in C, but with some individuals requiring 24/7 support for reasons other than behaviors (i.e. high personal care needs).
- This level represents approx. 472 DSP participants.
- Some individuals in this level require 1:1 24/7 staffing, but it is not expected that the band will support that.
  - Exceptions processes and innovation panel review will be required in these cases.

**Level D – Funding Band vs Est Cost  
(2 sharing)**



**Level D – Funding Band vs Est Cost  
(3 sharing)**



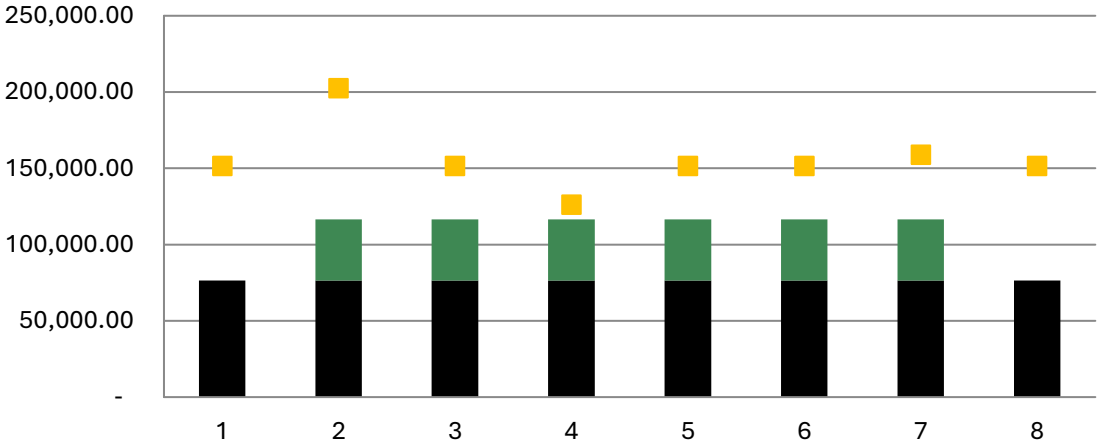
# Support Level D

## Recommendation

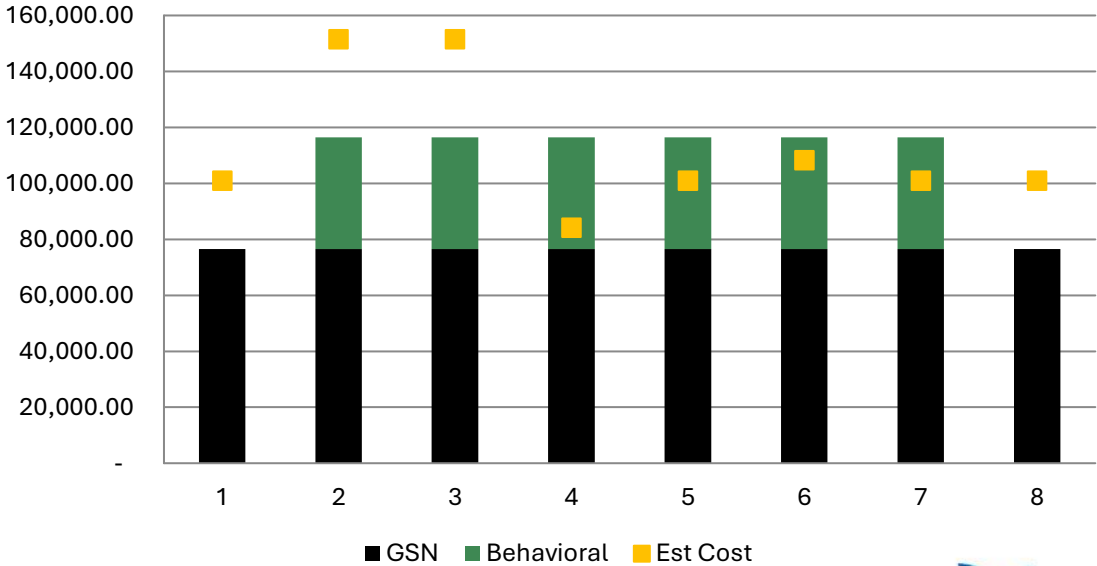
- Case study suggests cap set by historical analysis is too low to support individuals in this level that do not have behavioral needs but require 24/7 staffing.
- **Setting funding level to \$120,000** would allow 3 individuals without the Behavioural flag to pool their funding and access 24/7 supports.
- Proposed cap of \$120k, plus \$40k for behaviors (\$160k total), is aligned with the current ILS+ maximum of \$153k and the Shared Services max for 1:3 staffing of \$136k.

|                   | Historical Analysis | Proposed Cap |
|-------------------|---------------------|--------------|
| GSN               | \$64,000            | \$107,520    |
| Day Programming   | \$12,480            | \$12,480     |
| Total Funding Cap | \$76,480            | \$120,000    |

Level D – Funding Band vs Est Cost  
(2 sharing)



Level D – Funding Band vs Est Cost  
(3 sharing)



# Medical SSN Treatment

## Initial Analysis

- Because most medical related support costs are embedded in large ARC/RRC per diems, our historical analysis was unable to produce a strong correlation between support level and additional medical support costs
- As a starting point SLTC homecare indicated an average nursing cost per client of \$10,936 for 2024/2025.

## Recommendation

- **A medical SSN top-up amount of up to \$20,000** will be provided **only for medical supports as part of an approved support plan.**
  - It is anticipated that this amount may change as we receive more information on the support needs of individuals coming out of institutions.
  - The average for SLTC was deemed too low to use as an initial cap for medical top-ups, since 50% of individuals would be above the average and the SLTC average applies to individuals whose needs do not require an institutional setting
- \$20,000 would provide approximately 10 hours of LPN support per week (estimated rate of \$40/hr including benefits)
- Funding for medical supports would only be approved if timely and appropriate supports are not available from the publicly available system or DSP Allied Health Teams per the Allowable Usage Framework.
- Any medical funding exceeding \$20,000 per year would be subject to financial approval thresholds or further review.

## Results

- The case studies resulted in some adjustments to funding caps for general support need to align with the community living scenarios that are most likely by support level
- Funding requests for individuals with extraordinary needs (Level E) will be reviewed by a funding panel on a case-by-case basis.

### Funding Caps

| Support Level | Funding Cap for General Support Needs | Behavioral Top-up Amount | Medical Top-up Amount |
|---------------|---------------------------------------|--------------------------|-----------------------|
| 0             | \$0                                   | \$0                      | \$0                   |
| A             | \$45,000                              | \$40,000                 | \$20,000              |
| B             | \$55,000                              | \$40,000                 | \$20,000              |
| C             | \$75,000                              | \$40,000                 | \$20,000              |
| D             | \$120,000                             | \$40,000                 | \$20,000              |
| E             | Custom w/ Funding Panel               |                          |                       |

# Administrative Fees for Service Providers

## Policy Approach

- Administrative fees will be an additional fee provided to DSP Providers to cover administrative costs of providing supports, when they receive services from a DSP Provider with an active Service Agreement
  - This includes all non-direct support costs (outside of housing costs) that are currently funded through multiple line items in per diems (management, supervision, operational overhead, etc.).
  - Admin fees are intended to cover salaries and expenses for support and leadership positions (e.g. directors, payroll, recruitment, etc).
- The admin fees will be calculated based on the total cost of supports that the service provider delivers for the individual.
  - For example, if an organization provides \$1,000 in direct support hours, they would receive an additional \$150 to cover administrative costs.

An **admin fee of 15% will be used initially**, based on historical spending for administrative positions in programs delivered by service providers.