

Win, Lose, or Draw? The Financial Implications of Regional Models For Home Care

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Thesis Committee:

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- Paul Williams, Committee member
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What is the Focus of this Study?

- **Purpose:**

- To compare how regional structures in the Maritimes influence resource allocation

- **Research Questions:**

- What is the effect of regional structures implemented by PEI, NS, and NB on financial outcomes for home care?
- What is the effect of provincial instruments and regional decision-making processes and practices employed on the allocation of resources to home care?

What is the Policy Relevance?

- Organizational and funding structures can affect policy outcomes.
- Natural experiment: There are *variations* in choice of regional models implemented by PEI, NB, and NS.
- Policy Issue:
 - Home care budgets may be at risk of being cannibalized in order to serve the interests of more powerful actors

A Health Reform Policy Goal: Rebalancing Resource Allocation

- Emerging sense that more resources should go to “Cinderella Services” such as home care, mental health, public health
- Physician and hospital care must be insured (national conditions under *Canada Health Act*)
- How to make this happen?
- Some think regionalization is the answer

What is Regionalization?

- Organizational device to shift governance and management involving
 - Centralization of power from local actors
 - Decentralization of power from provincial government

What Assumptions Underlie Regionalization?

- Regions will move to global budget vs. program budgets
- Instrument of global budget will
 - Create climate to rebalance and strengthen formerly marginalized services such as home care
 - Result in transfer of resources from one sector to another e.g, hospitals to home care
 - **But...**
 - **What prevents reallocations or transfers from going the other way? e.g., from home care to hospitals**

Regionalization and Home Care - Win, Lose, or Draw?

- Why might home care benefit?
 - Global budget creates potential to transfer resources (i.e., from hospitals) to achieve more community-based care
- Why might home care not benefit?
 - Hospitals are much more powerful actors
 - Hospitals experience community support
- Why might there be little impact?
 - Entrenchment of historical patterns of budget allocations may prevail and inhibit resource transfers

Why is this Research Needed (1)?

- To determine whether home care has gained, lost, or maintained its funding base in a competitive regional environment?
- Expenditure data at the regional level for home care is not routinely compiled
- Home care is a (re-)emerging policy issue in the national health care arena and there are lessons to be learned

Why is this Research Needed (2)?

- Provide insight into whether there is variability or consistency with respect to home care financial outcomes following implementation of regional models?
- Have provinces and regions embraced global budgets as instruments of change (or do historical patterns and former budget silos prevail)?

How Will this Study Inform Evidence-based Policy-making?

- Describe how regional models (i.e., scope of services managed) affect home care resource allocation
- Describe implications of provincial institutions (rules, structures) and regional processes and practices affecting home care resource allocation
- Explore advantages and disadvantages of regional models implemented in PEI, NB, and NS
- Establish baseline home care expenditure data

The Current Climate: Variations in Regional Models Across Canada

- Scope of services (narrow to broad)
- Board structure (appointed, elected, or combo)
- Budget structure (program vs global)
- Type of implementation (incremental vs all at once)
- Size of population, geographic area served
- Extent of maturity and stability of regional health organizations

Comparing Regional Models Implemented in the Maritimes

Characteristic	NS	NB	PEI
Date of Initiation	1995 & 2001	1992	1994
Implementation	Incremental, not yet complete	Rapid and complete but undergoing modifications	Rapid and complete but undergoing modifications
Number of regions	from 4 to 9	7 (8 boards)	from 5 to 4
Board structure	Appointed; two tier	Appointed	Composite of elected and appointed

A Natural Experiment: Studying Region Models in the Maritimes

Health sector	Included within Regional Structure?		
	NS	NB	PEI
Hospitals	Yes	Yes	Yes
Home care	No	Yes	Yes
Mental health	Yes	No	Yes
Public Health/health promotion	Yes	No	Yes
Residential long term care	No	No	Yes
Drugs	No	No	No
Physicians	No	No	No

Research Design and Methods

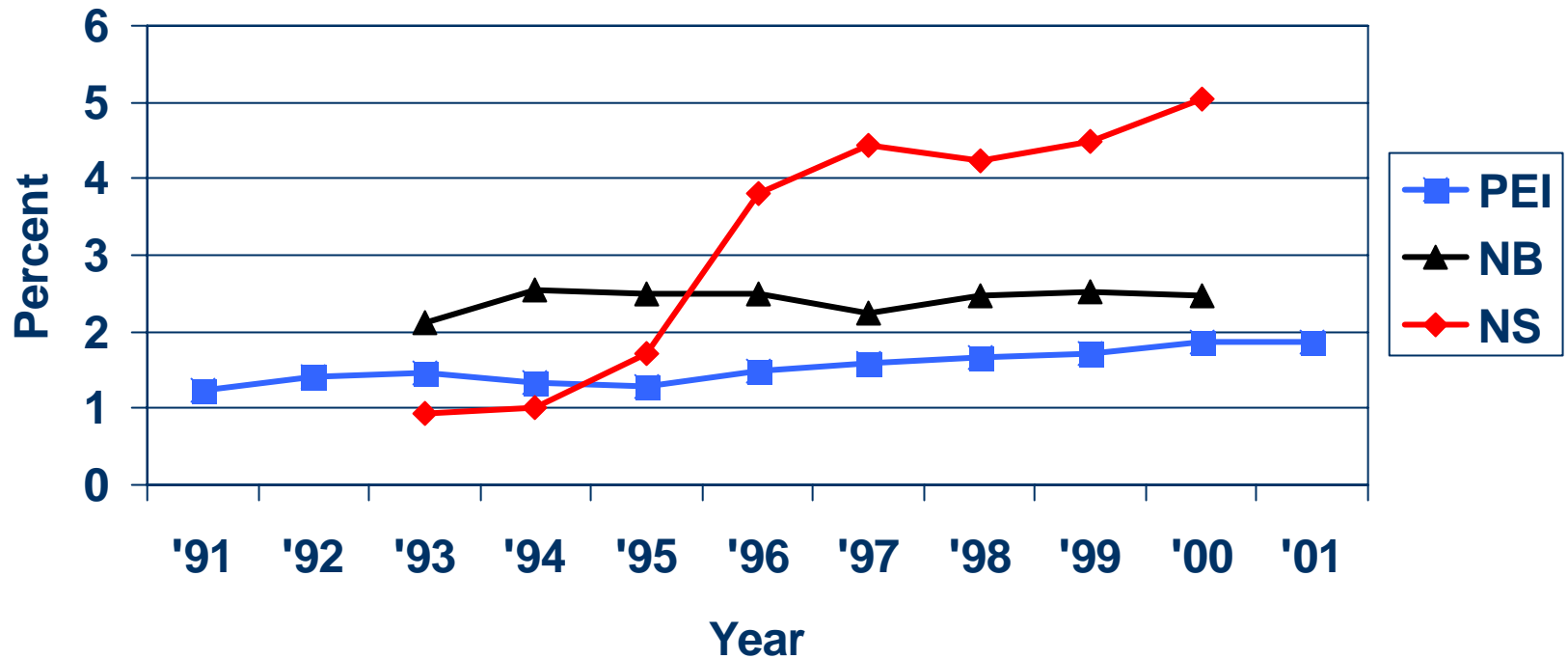
- Cross case comparison of three Maritime provinces
- Phase 1: Quantitative data
 - Expenditures for each province and by region compiled from public documents (Provincial Estimates, Public Accounts, Annual Reports, Audited Financial Statements)
 - Interviews to clarify we are dealing with apples only (what is included within a particular budget category)
- Phase 2: Qualitative data
 - Semi-structured Interviews with regional and provincial key informants to construct a picture of how resource allocations decisions are being made and factors that inhibit or facilitate

Quantitative Data to be Examined

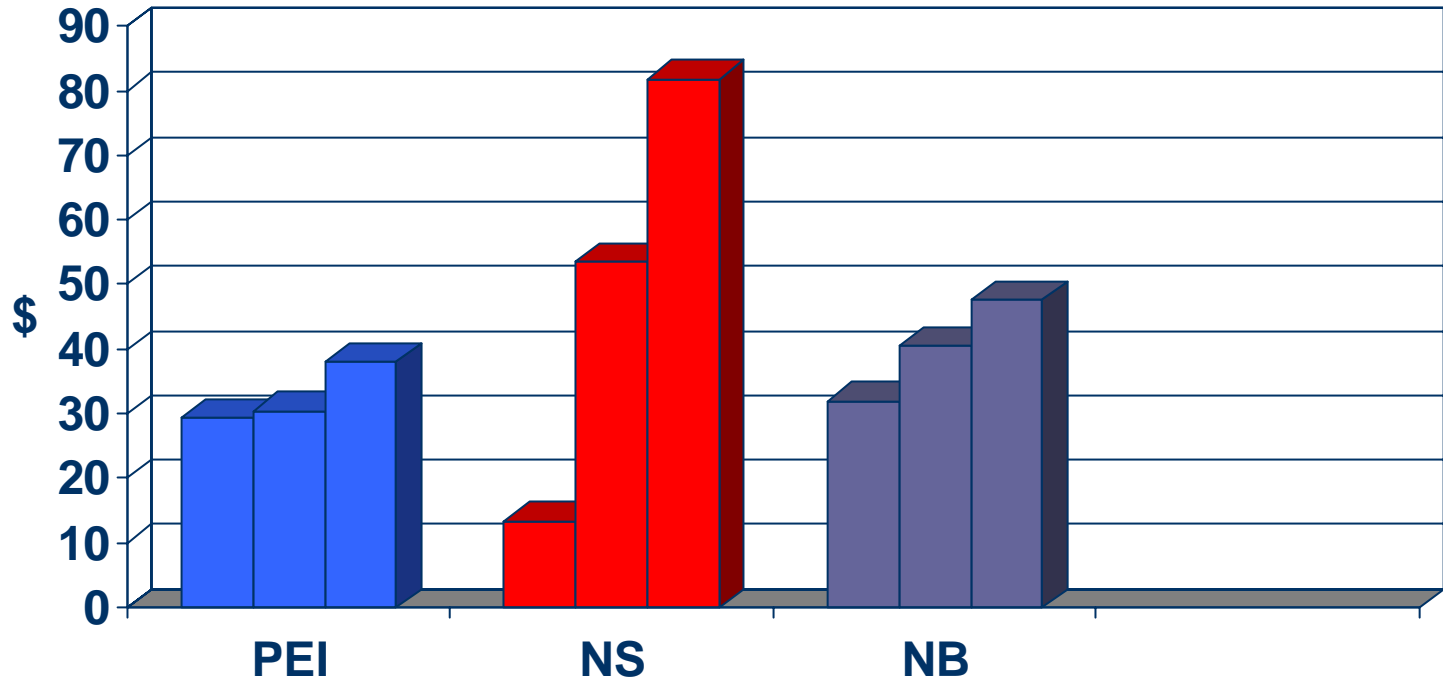
- Total yearly expenditures
 - Expenditures as percentage of total
 - Per capita expenditures
- Provincial and regional by each province
- For fiscal years 1990-91 to 2000-01

Home Care

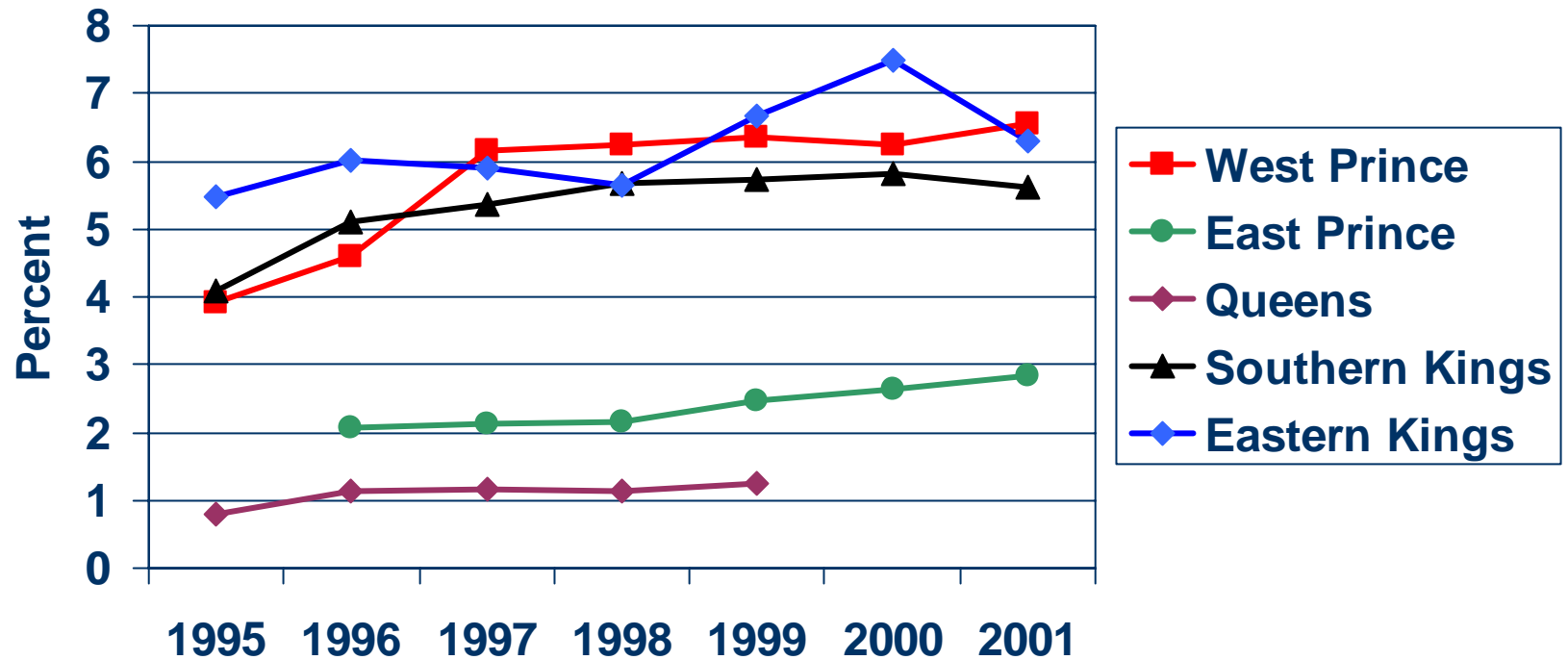
percent of yearly health expenditures – PEI, NS, NS



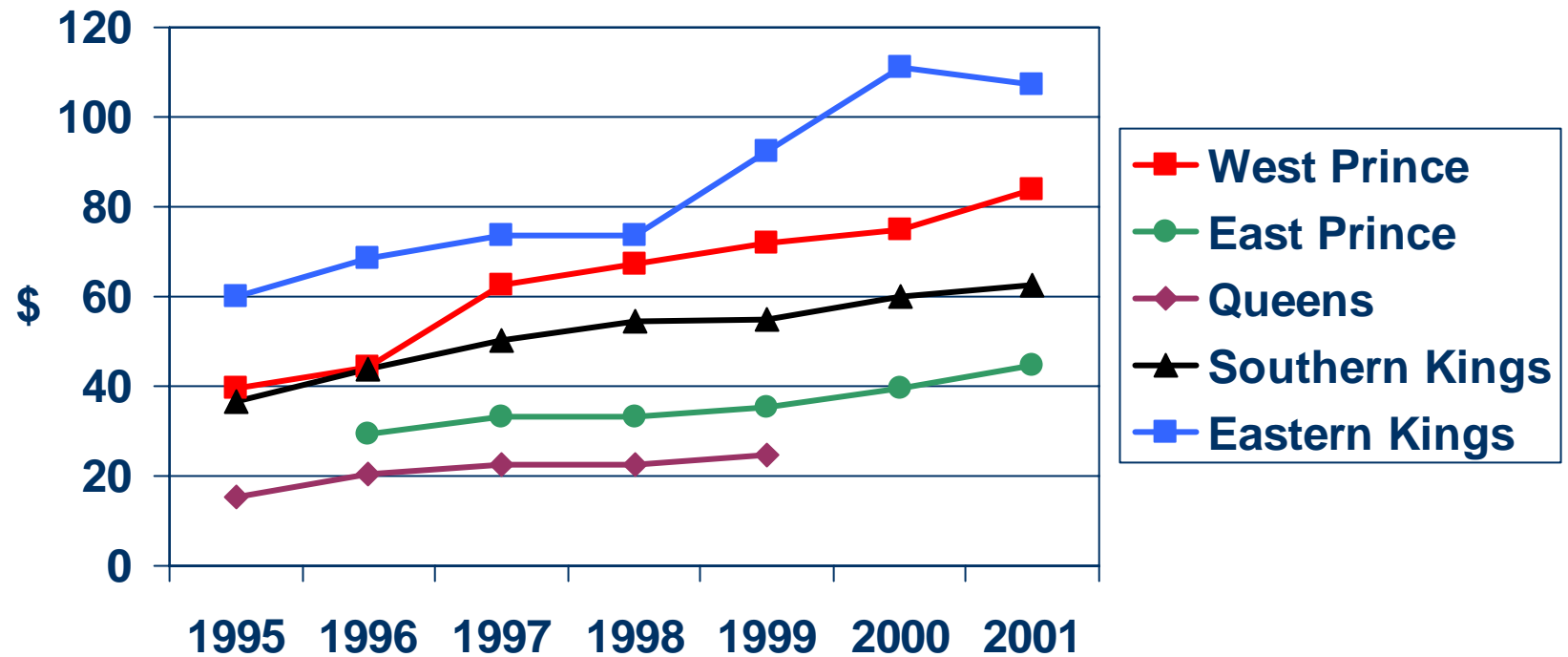
Home Care per capita provincial expenditures for PEI, NB, NS - 1993, 1996, 1999



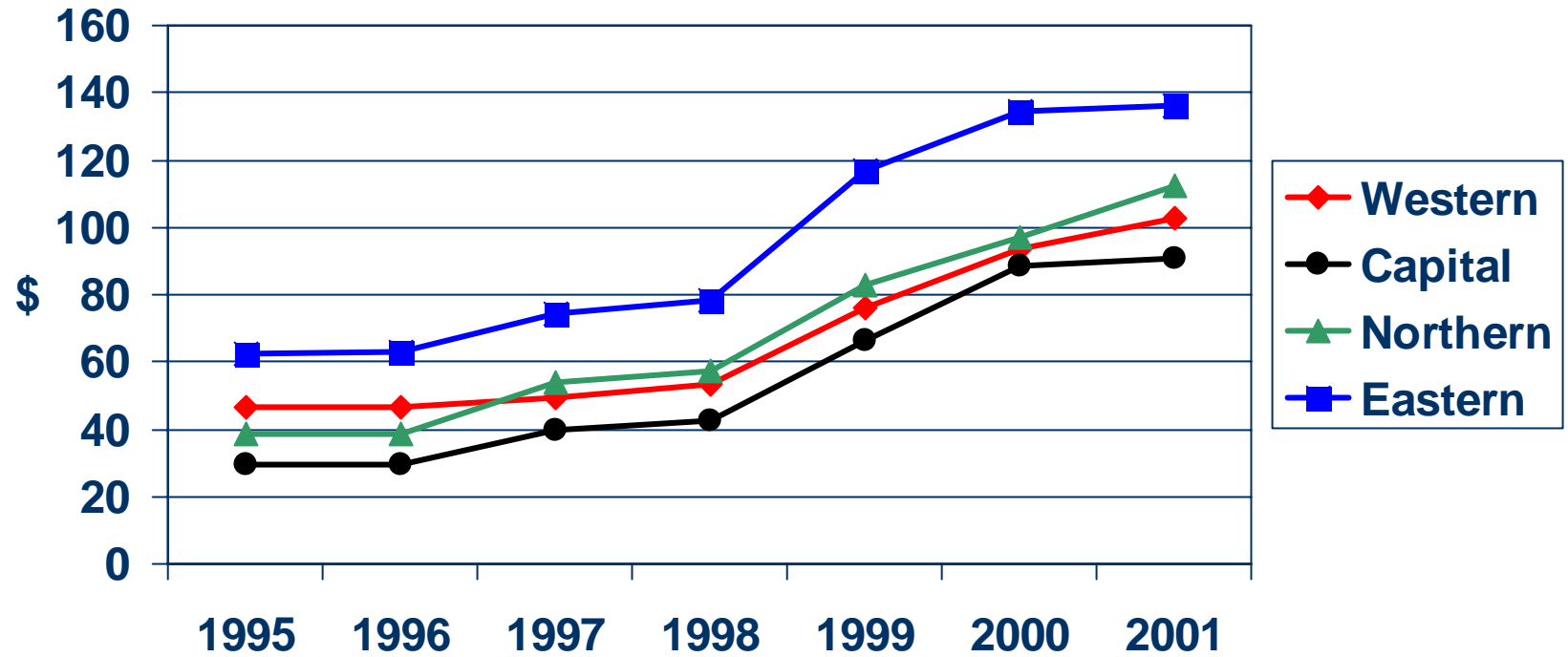
Home Care percent of yearly expenditures for PEI health regions



Home Care per capita regional yearly expenditures for PEI



Home Care per capita regional expenditures for NS



Findings: Provincial Level Expenditure Data

- **Home Care Wins Under NS model!** – It gained a *sizeable increase* in provincial health budget
 - This is the only Maritime province which retained management of home care at the provincial level
- **Under regional models chosen by PEI and NB, it's a Draw!** - Home care *did not gain* a larger share of the provincial health budget
 - For these provinces, management of home care was decentralized to regional health organizations

Findings: Regional Level Expenditure Data

- There is variation in home care spending *among PEI health regions – Why?*
- *Financial outcomes also vary among regions in NS where decision-making is centralized – Why?*

Implications of Regional Models....

- There are variations in the resources allocated by health regions in PEI and by NS Department of Health
 - Since different models were implemented in each province, what factors might account for these differences?
 - Why are the per capita expenditures lower for regions of Queens in PEI and Capital in NS?
- There are variations in the aggregate level expenditures for PEI, NB, and NS

Next Steps

- Explore what provincial instruments and regional processes and practices drive resource allocation decision-making (i.e., presence/absence of rules, provincial funding models, budgeting practices)
- Explore why financial outcomes vary among regions within each provincial case

Possible Factors....

- Flexibility of health sector funding (budget portability vs protected programs)
- Type of budgets used (global/integrated or by program sector/segregated)
- Accountability framework (financial and program audits; transparency e.g., results in public domain)

Possible Factors....

- Use of “evidence” (needs assessments, community health plans, town halls and consultations with public?)
- Adherence (or not) to provincial policy guidelines
- Alignment with provincial planning and reporting requirements (yearly business plans, program outcomes)



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