

FIXED RATE CONTRACT REVIEW
OF TEMPORARY STAFFING

PHASE ONE REPORT ON
EMERGENCY PLACEMENT RESOURCES

December 12, 2014

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FIXED RATE CONTRACT REVIEW PHASE ONE EMERGENCY PLACEMENT RESOURCES

NATURE AND SCOPE OF REVIEW:

On September 30, 2014, the Minister of Family Services requested that the Agency Accountability and Support Unit (AASU) conduct a review of all fixed rate contracts that provide temporary staffing services to program areas within the Department of Family Services. The Minister directed that this review should address the issues of appropriateness of training offered to contractor's staff, quality of care provided and value for money spent in the engagement of these resources.

Since the late 1990s, contracted temporary staffing services have been engaged by the child and family services system. They are currently utilized by three program areas in the Department: Winnipeg Child and Family Services (WCFS) for the Emergency Placement Resources (EPR) program, Children's disABILITY Services (CDS) and Community Living disABILITY Services (CLDS). Fee for service arrangements with private companies have been used by the Department consistently in the past to provide care to clients when departmental capacity to do so was exceeded.

Prior to April 1, 2013, annual contracts were let with specific contractors for these services. In 2013, a Request for Quotations was publically posted to allow the Department to enter into longer term arrangements for temporary staffing services with qualifying companies. This resulted in six, three-year contracts (2013/14 to 2015/16) for ongoing service needs and two separate standing offers with other companies for these services to be rendered on an if required basis.

During 2013/14, the Department incurred expenditures totalling \$14,675,400.00 for contracted temporary staffing services for these program areas. Of this amount, \$13,422,600.00 was spent in the EPR system. Since this represents 91% of these

expenditures, Phase One of this review focuses on this program area. Phase Two will include CLDS, CDS and non-EPR WCFS temporary staffing services.

The following two contractors and one standing offer service provider rendered temporary staffing services to EPR in 2013/14:

<u>SERVICE PROVIDER</u>	<u>HOTEL PLACEMENT</u> \$ (000s)	<u>SHELTER SERVICES</u> \$ (000s)	<u>TOTAL</u> \$ (000s)
Complete Care In Home and Hospital Health Services Inc.	\$6,359.8	\$2,589.1	\$8,948.9
Drake Medox Health Services	3.9	4,415.2	4,419.1
Compassionate Care Home and Hospital Health Services Inc.	—	54.6	54.6
TOTAL	<u>\$6,363.7</u>	<u>\$7,058.9</u>	<u>\$13,422.6</u>

When the Department requires additional temporary staff to supervise emergency placements for children in care, requests for service are made by EPR staff. Employees of these contractors work casually (the amount of work is not guaranteed during any time period), are not dedicated to EPR, and may serve other clients of each service provider. Casual employees in each firm sign client information confidentiality agreements as a condition of their employment. These casual contract staff are not unionized.

The EPR program forms part of the continuum of care delivered through the broader child welfare system funded by the Child and Family Services (CFS) Division of the Department of Family Services. When a child/youth cannot be safely cared for by their family, they may be brought into the care of a CFS agency. EPR provides short term placement for children in Winnipeg through specifically licensed foster care providers, departmentally operated residential care homes (shelters) - which are shift staffed on a 24-hour basis throughout the year - and, when necessary, the rental of hotel rooms to provide a short term place of safety typically staffed on a ratio of one worker to one child/youth (sibling groups placed together may only have one worker). Current departmental policy allows children to be placed in hotels only when specific approval

has been received from the child and family service authority governing the agency which wishes to place the child.

As of November 28, 2014, the EPR program provided the following resources:

<u>Resource</u>	<u>Number of Facilities</u>	<u>Number of Beds</u>
Emergency foster care	83	271
Shelters	61	188
Hotel Placements*	2	4
TOTAL	<u>146</u>	<u>463</u>

* varies daily dependent on demand and availability of other resources

The use of fixed rate contracts for the engagement of casual staff by EPR serves two functions: the human resources necessary to supplement the operation of shift staffed shelters when departmental staff is not available; and to meet the staffing requirement for all children placed in hotels. No temporary staff are engaged in service provision to the EPR emergency foster care program.

Appendix 1 on page 14 of this report provides a financial summary of the EPR program over the last seven years.

This review of Family Services' utilization of temporary staffing resources contracted from Complete Care and Drake Medox for the EPR program focused on compliance with the conditions of the new multi-year contracts signed by each firm. This review included an examination of documentation pertaining to services rendered during the 12 months ended September 30, 2014, as well as discussions with management at both firms and with officials from EPR and the Child and Family Services Division of the Department. This review occurred during the months of November and December 2014. The examination of documentation supporting invoices billed for temporary staffing services rendered during the 12 months ended September 30, 2014, indicated that both Drake Medox and Complete Care met the terms and conditions of the multi-year contracts required for the EPR program. The number of invoices examined during this review was

proportional to the expenditure levels incurred by EPR for temporary staffing purposes from each contractor during this time period.

From a review of personnel files for casual contracted staff named on these selected invoices, each contractor was able to demonstrate that the training and certification status of its workers met EPR contractual requirements. In addition, re-certification for specific training needs was generally achieved on a timely basis. A review of contractor employee work schedules, contractor employee time sheets and contractor payroll records indicated that the staff named on the invoices selected for examination were employees of the contractor working at the locations on the dates invoiced to the EPR program. When issued by EPR staff, requisitions to initiate contractor service on the dates and locations invoiced were examined in the contractor's records and confirmed to EPR records.

However, compliance to contract conditions does not address the appropriateness of training offered to these staff, the quality of care they provide nor a value for money (cost-benefit) assessment of using these casual contracted staff resources in the EPR system.

Direct service workers (casual contracted staff) employed by these firms were not interviewed as part of this review. The standing offer services provided by Compassionate Care to the EPR program were not included in this review because the total amount spent in 2013/14 was not considered financially significant and was not a recurring expenditure.

On November 18, 2014, after the commencement of this review, the Minister of Family Services announced a redevelopment strategy for the Emergency Placement Resources Program. The announced changes will decrease reliance on hotels and offer better supports for children in crisis. Among the key changes announced were:

- creating 71 new emergency foster home spaces;
- opening a secure residential care unit to work with girls ages 12 to 17 who have complex needs;

- increasing capacity to perform multi-disciplinary clinical assessments of children with behavioural challenges;
- reducing reliance on contract workers by hiring 210 highly trained, permanent child-care workers over two years; and
- increasing emergency foster placements and supports in rural areas to care for children closer to their homes.

REPORT OBSERVATIONS AND RECOMMENDATIONS

1. Training of Contracted Workers

The current fixed rate contracts for temporary staffing services signed by Drake Medox Health Services and Complete Care In Home and Hospital Health Services Inc. require that each service provider ensure that all their workers assigned to the EPR system have documentation demonstrating at a minimum:

- formal orientation to the Children’s Emergency Placement System and Workplace Safety and Health policies and procedures;
- current recognized First Aid/Cardiopulmonary Resuscitation (CPR) training; and
- current non-violent crisis intervention (NVC) training.

Prior to service commencement, each worker must also have a current clear Child Abuse Registry Check (CARC), a current clear Criminal Records Check (CRC) and current photo identification provided by the service provider. In addition, after submission of this documentation to the Department, each individual worker must be approved by the EPR program prior to working with children. This check is performed to ensure that any prior contact by this individual with the child and family services system in Manitoba did not pose a threat to other workers or children in care. Once cleared for employment, the contract requires that the CARC and the CRC for each worker be renewed every three years and that currency in First Aid, CPR and NVC training be maintained.

The contract also references the need for ongoing training and monitoring for all temporary staff utilized by EPR. The nature of the ongoing training and the method of monitoring are not defined in the contract.

The review of documentation contained in selected worker’s personnel files at each contractor’s office revealed that each firm was compliant with the prerequisite initial training and certification requirements of its workers. Individual prior contact approvals were also received from EPR. We did note that, in a number of instances, staff employed

by Complete Care did not have current recertification for CARC and CRC on file. When raised to management's attention, the required documentation was provided by the individual workers who were late in submitting this updated information to their employer.

Some personnel files also documented discussions held with staff concerning their performance including the need for remedial action to improve service. This documentation included concerns/complaints initiated by EPR about temporary staff behaviour.

Neither contractor indicated that they offered additional formal training to its staff once they were engaged as child care workers. The contractual reference to "ongoing training" was understood by the companies involved to mean recertification for First Aid/CPR, CARC, CRC and NVCI. We were advised that if individual workers were interested in pursuing additional training, they were encouraged to do so of their own volition. The contractors did raise interest in having their workers attend departmental training sessions but were advised by EPR that these opportunities were not available to contract staff.

Recommendations

1. We recommend that the provisions of the existing contracts with fixed rate service providers to the EPR program be re-opened to specify the requirement for ongoing, progressive youth care training of casual contracted staff .
2. We recommend that opportunities to train departmental staff working in the EPR system be extended to casual contracted staff on a basis consistent with that offered to departmental staff.
3. We recommend that the Department negotiate a cost-effective approach to encourage casual contracted staff to participate in these training opportunities, which could include the contractor participating in the cost of training for its employees or in developing a train-the-trainer approach.

2. Quality of Care

The contracts for EPR service with Drake Medox and Complete Care require each contractor to provide services that are professionally and ethically sound and to ensure that all children receiving temporary care are protected and safe. The contract does not specify the basis for ensuring how these crucial service goals are to be met.

Given that this review is based upon an examination of documentation of past activity and discussions with contractor and departmental management, our observations are limited to factors that may impact performance and the resulting quality of care provided by casual contracted staff working in the EPR system.

a) Casual Contract Staff Remuneration Levels

These staff are remunerated at or just above provincial minimum wage levels by the contractors and, because of the casual nature of their employment, high staff turnover is prevalent. Individuals who can earn greater remuneration in other areas of youth care are not attracted to this work, and if they are recruited, are more likely to leave when other, better-paid opportunities become available.

The casual nature of the employment is also an issue; some workers enjoy the flexible hours, others consider the hours too uncertain to maintain a living wage. This combination of factors may not attract or sustain long term employment, impacting the quality of care delivered by a transient workforce.

b) Monitoring of Contracted Workers

Shelters: The EPR program assumes responsibility for shelter operations, including supervision of contracted staff. This work is performed by assigned coordinators, who are departmental employees.

Hotels: The current contracts require that each company both “ensure that all children receiving temporary alternate care are protected and safe” and “ensure ongoing...monitoring for all temporary staff...” Complete Care management is of the opinion that the CFS agency that placed the child in EPR assumes the responsibility for onsite supervision. However, Complete Care does telephone checks and indicated that it will send supervisory staff to hotels if a large number of children are placed at one time or if the children exhibit extreme behavioural problems. This review was unable to ascertain the frequency of this monitoring activity during our review period. Given the infrequency of onsite supervision by contractors, the EPR program coordinator for hotel placement also performs telephone and onsite visits to check on the status of children placed in hotels.

This lack of clarity concerning responsibility for the onsite supervision of staff caring for children in hotels may contribute to unwanted situations and unfortunate outcomes.

c) Timely Child Information

Both contractors expressed concern that their staff are often assigned without adequate knowledge of the child or children who require supervision. This situation usually occurs when urgent care is required and the information is not readily available. However, in order to best match worker skill and gender to the needs and behaviour of the child, such information is crucial. Absent this information, assigned temporary staff may be ill-suited to the needs of the child and the quality of care provided could be adversely affected.

d) Consistency of Care

The use of casual contracted staff exclusively in hotel placements and for approximately 30% of shelter shift work is predicated on the fact that there is an insufficient number of departmental staff to perform both functions. Since shelters are a 24/7 shift staffed operation, the priority is to deploy departmental resources to that EPR operation. The shortage of departmental staff employed in shelters has been a matter of long standing.

However, by the nature of their casual engagement, individual temporary contract workers are not a consistent presence in the EPR workplace. These EPR shelters are the

temporary homes of the children who reside there, places with which they are not familiar and initially, likely a stressful environment. Having a variety of workers caring for them while they are in shelters does not help to create a stabilizing influence that these children need.

Regularly scheduled departmental employees at each shelter, resulting in the reduction of use of contracted workers, will provide a more consistent level of care to children.

e) Incident Reporting

The fixed rate contracts require temporary staff working in the EPR system to follow departmental logging and reporting of incidents related to the care of children.

Shelters: A formal structure for the reporting of incidents exists in the EPR shelter system. This structure involves not only a review and follow-up of the written incident reports completed by workers to be undertaken by EPR management but also the provincial licensing unit (because shelters are provincially licensed facilities) and, when abuse is alleged, the Provincial Investigation Unit of the Child Protection Branch. A copy of the incident report is always forwarded to the CFS agency that placed the child in care. This collaborative involvement results in a rigorous due diligence process in shelters and other licensed residential child care facilities in Manitoba when incidents occur.

This incident reporting process addresses circumstances that could impact quality of care through follow-up action and the facilitation of longer term remedial improvements.

Hotels: The same incident reporting process is not followed in hotel placements. Hotels are not licensed child care facilities; they simply serve as a short term place of safety. When an incident involving a child placed in a hotel is reported, it is reviewed by the EPR hotel placement coordinator and the EPR manager. These staff members address the matters within their purview and, when necessary, forward matters on to the Provincial Investigation Unit. The incident report is then forwarded to the CFS agency that placed the child with EPR, but a copy is not retained by EPR. This lack of documentation

precludes the accumulation of information and reporting on the frequency, nature and resolution of incidents that have occurred in hotels.

f) Handling of Complaints

Each contractor has a policy for the handling of complaints. These comply with the terms of the contract as to timely notification to EPR and a response time for resolution. However, because complaints can be handled in several ways depending on who receives them, this review was unable to ascertain if all complaints are properly reported and resolved. The EPR manager has not formally approved either contractor's complaint protocol as required by the contract.

Recommendations

4. We recommend that the Department increase the frequency of on-site supervision when children are placed in hotels. The frequency of this on site supervision (e.g., one visit every 24 hours) should be a provincial standard of practice. This onsite supervision of child care workers should be undertaken by EPR staff.
5. We recommend that whenever EPR requires casual contracted staff for a new placement that adequate information be made available to the contractor at the time of request (number of children requiring care, age of each child, gender and presenting issues, if any). If the placement occurs after hours, this basic information should be provided by Child and Family All Nations Coordinated Response Network (ANCR), which is responsible for all new children requiring emergency care.
6. We recommend that the EPR program retain copies of incident reports resulting from hotel placements and generate a quarterly report of these incidents and their resolution to the office of the Assistant Deputy Minister of Child and Family Services on a quarterly basis.

7. We recommend that the EPR manager review and approve each contractor's complaint policy and that the EPR program maintain a log of complaints received/referred for resolution and the time frame in which they occur.

Value for Money

The review included a sampling of invoices billed to EPR for temporary staffing resources rendered by Drake Medox and Complete Care during the 12 months ended September 30, 2014.

This sampling confirmed that the hours worked at the location cited on the days requested were at the hourly rates approved in each contract. The incidence of overtime hours incurred by the workers when billed to the Department was also reflected in the same number of overtime hours paid to the worker by the contractor.

However, the hourly fee for service rate paid to the contractors was in excess of the hourly wages paid to departmental staff who operate EPR shelters and, as previously noted, this higher fee for service rate is paid for all hotel placements.

Appendix 2 on page 15 of this review compares the actual cost of staffing the existing 60 Winnipeg shelters which employed both departmental and contracted staff in 2013/14 to an estimated direct and indirect salary cost assuming only departmental staff were utilized. (One new shelter location added to the system in 2014/15 was not included since no actual costs were incurred in 2013/14 for this location). This analysis demonstrates that it would be cost beneficial to staff these shelters exclusively with departmental staff.

Recommendation

8. We recommend that an orderly transition to a departmentally staffed shelter operation be implemented promptly with the estimated date for completion of this transition to occur prior to the expiry date of the existing fixed rate contracts for temporary staffing services on March 31, 2016.

CONCLUSION

Given the often urgent nature of the child care provided by the EPR system to children who are in unfamiliar circumstances, who may have experienced recent trauma and who may exhibit emotional and behavioural issues that can be difficult to manage, the results of this review support the initiative to plan and expeditiously transition to an emergency child care system that is less dependent upon contracted temporary staffing services in the future.

APPENDIX 1
Financial Summary of the EPR System 2007/08 to 2013/14

The following summary presents the actual program costs and child admissions from 2007/08 to 2013/14:

	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>	<u>FY 2012-13</u>	<u>FY 2013-14</u>
Total Costs of EPR	<u>\$ 17,813,434</u>	<u>\$ 21,405,188</u>	<u>\$ 23,400,680</u>	<u>\$ 26,032,963</u>	<u>\$ 29,290,358</u>	<u>\$ 36,579,693</u>	<u>\$ 40,157,599</u>
Casual Contracted Staffing Costs:							
- Shelters	\$ 3,256,349	\$ 5,671,813	\$ 6,496,128	\$ 7,810,544	\$ 7,218,100	\$ 8,739,809	\$ 7,058,885
- Hotels	<u>627,858</u>	<u>413,589</u>	<u>59,573</u>	<u>272,034</u>	<u>1,516,589</u>	<u>4,441,519</u>	<u>6,363,712</u>
	<u>\$ 3,884,207</u>	<u>\$ 6,085,402</u>	<u>\$ 6,555,702</u>	<u>\$ 8,082,577</u>	<u>\$ 8,734,689</u>	<u>\$ 13,181,328</u>	<u>\$ 13,422,597</u>
Percentage of Casual Contracted Staffing Cost to Total Cost	21.8%	28.4%	28.0%	31.0%	29.8%	36.0%	33.4%

APPENDIX 2

Cost Comparison of Actual EPR Shelter Staffing Costs in 2013/14 to a Staffing Model using only Departmental Resources

2013/14 Actual Staffing Costs

- Departmental Staff Salary and Benefit Costs (Approximately 345 employees)	\$ 18,443,733
- Contracted Casual Workers	<u>7,058,885</u>

2013/14 Total Actual Costs **\$ 25,502,618**

Alternative Model: Projected Direct Salary Costs for 495 Employees:

- Regular Salaries	\$ 16,574,349
- Overtime and Statutory Holiday Pay	2,065,615
- Indirect Salary Costs	<u>5,499,531</u>

Sub-total: Projected Full Shelter Staff Complement Cost **\$ 24,139,495**

Potential Cost Benefit of using Departmental Staff to operate EPR Shelters **\$ 1,363,123**