

Limits to Market-Based Reform:

Managed Competition and Rehabilitation Home Care Services in Ontario

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Overview

- Background
- Research questions
- Methods and analysis
- Findings
- Implications

Market-Based Reforms

- Growth since 1980's with rise in neo-liberal ideology
- Reduced role for governments and greater role for markets will result in improved efficiency due to competitive forces
- Requires functioning market with adequate competition

Reform

- Need for home care reform
 - Variability in services and quality
 - Acute care restructuring / aging population
 - Cost / access
- Creation of 43 CCACs
 - Replaced 38 Home Care Programs and 36 Placement Coordination Offices
- Implementation of “managed competition”
 - Separation of purchaser and provider
 - Use of bidding process for contracts
 - Emphasis on quality and case management

What Makes This Reform Interesting?

- The speed with which it was implemented
- Dramatic change in government policy
- Unique impact on rehabilitation services
- Example of a low volume, specialized service

Research Questions

1. How did the introduction of a managed competition model for home care services in Ontario impact rehabilitation services and professionals?
2. Is there adequate competition within the rehabilitation services sector of home care for the managed competition model to achieve the “best quality at the best price”?

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Methodology & Analysis of Data

- Qualitative case study design
 - Ontario home care (OT and PT)
- Data collection and Sample
 - Documents
 - Surveys (43 CCACs and 36 Provider agencies)
 - Key informant interviews (49)
- Analysis
 - NVivo software
 - Themes identified and transcripts coded
 - Inter-rater reliability checked

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Findings

- Loss of individual professional autonomy
 - reduced quality of work life and job satisfaction
 - Increased ethical dilemmas faced by professionals
- Unpredictable funding/volumes
 - Destabilization of system
 - Difficulties with recruitment and retention
- Power shifts (devolution of accountability)
 - Greater government control over CCACs
 - Greater CCAC control
- Convergence between for-profit and not-for-profit

Findings

- Barriers to adequate competition
 - Low population density in many regions
 - Structural constraints due to unions
 - Shortage of rehabilitation professionals
 - Nature of contracts (length and volume)
 - Increased cost of competing (RFPs & QA)

“costs for us have skyrocketed because it’s a sellers market, if there’s only two or three agencies that can even make it through the RFP, then you’ve got to take what ever price they write down”

CCAC Senior Manager

Implications

- Higher per visit costs
- Inability to fully implement the model
- Reduction in number of competing agencies
- Reduced availability and quantity of care (not clear if this impacts outcomes)
- Possible reduction in quality of client care

Questions?