



# Individualized Funding: Emerging Policy Issues

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December 1999

## Introduction

This paper focuses on issues that need to be addressed by government agencies, services providers, and individuals with disabilities<sup>1</sup> in implementing individualized funding methods. However, these issues need to be set in the context of the historical development of individualized funding (IF), because the various practical problems which they present will not be solved successfully unless the purpose of IF is fully understood. For this reason, the paper firstly outlines the history, highlighting some key themes and lessons.

In essence, an individualized funding and service delivery structure is simple, but implementation calls for the addition of various devices to assist the stakeholders to fulfil their respective responsibilities. The devices are outlined below. Each of the devices presents risks that can limit realization of the aims of individualized funding. Experience to date suggests that an incremental approach to shifting to an individualized funding system will minimize the risks. An incremental, learn-as-you-go approach builds in flexibility to implementation – enabling stakeholders to learn from experience and make adaptations as they go.

## 1 Early Innovations

There have always been some national differences in social and health care policy and associated service provision responses to people with different forms of impairment. Nevertheless, beginning in the 1970s, service patterns for people with developmental, physical and mental disabilities across North America, Western Europe, and Australia had much in common: policy goals which reflected a clinical/medical model of disability; paternalistic approaches to funding and service delivery; and large-scale segregated services.

As the decade progressed, initiatives to move people with intellectual disabilities out of institutional services demonstrated that better community-based alternatives were feasible, and also helped to show that people with intellectual disabilities are ‘real people’. They deserved respect and support to exercise their human rights. In this light, the injustice of the prevailing system of supports and commonplace mistreatment in institutional care became less acceptable.

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<sup>1</sup> National differences in the language used to identify groups of citizens with disabilities - where the approved terminology in one country may be an insult in another - present particular problems for the authors of a paper intended for an international readership. We have tried to use language which all readers will understand, and none find objectionable; but, if we have failed, we apologize. Additionally, in writing this paper we have discovered that some seemingly innocent and international words (‘care’ and ‘consumer’, for example) actually have different shades of meaning and association in the UK and North America, and we ask readers to make allowance for this.

Thus a 'virtuous circle' was established which supported institutional closure. It seemed that people with disabilities might achieve citizenship at last.

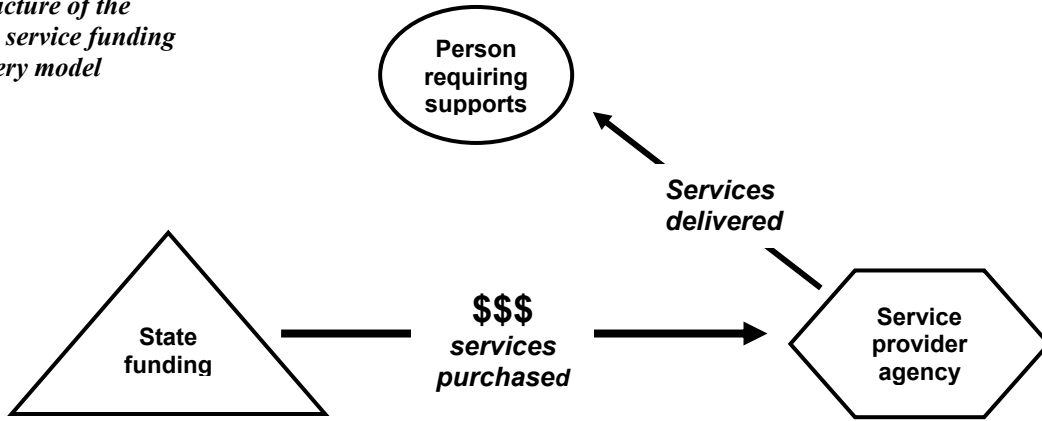
For the most part, these innovations (including, at that stage, the self-advocacy movement) were led by people within the social care and human service professions, rather than by the recipients of social care. Although legislative changes were pursued when opportunities arose, change-oriented service providers and professionals based their strategy on the belief that the majority of their peers would willingly change once they became enlightened, inspired, and better equipped to fulfil their vocation. New theories and methods, such as 'Social Role Valorization', early versions of person-centered planning, and small group community living models were offered in the hope – even the expectation – that the professional majority would grasp them as tools for reconstructing service delivery.

However, this conceptual revolution did not translate into a major driver of policy change and service restructuring. It is true that small group homes were developed, and are now commonplace. Institutions declined, though they are still with us. Standards of service provision, in terms of material surroundings and the basics of everyday choice and respect have improved overall. However, in terms of substantial "quality of life" outcomes such as unpaid relationships and real jobs, progress has been extremely slow. People may live *in*, but are rarely members *of*, the community. While changes in national policies and legislation have been successful in improving the broad pattern of service provision, the attempt to change professional thinking and practice - the factors which largely determine quality of life outcomes - has failed to address the balance of power built into service structures. And thus the professionals, with the balance weighted heavily in their favor, have been left with the freedom to interpret user need in ways which served their own interests.

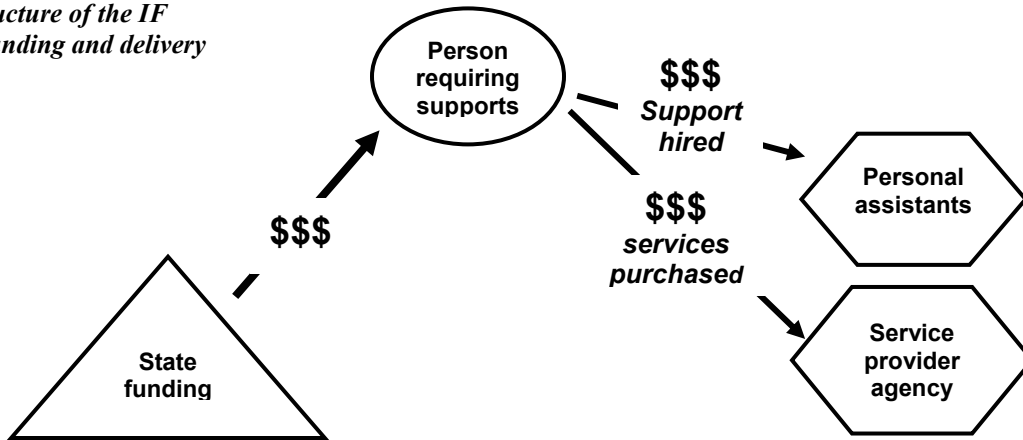
Not surprisingly, it was users and their families – people with the most heartfelt sense of urgency – who understood first that more structural changes were required to ensure that supports and services were funded and delivered in ways that enabled community inclusion rather than obstructed it. Notably, the Woodlands Parents Group in British Columbia in 1977, desperate to release their sons and daughters with severe/profound intellectual impairments from institutional care, developed one of the first compelling alternatives to the clinical/medical paradigm, and the structure of service delivery (see figure 1A). Realizing that the power to shape support services rested with control of funding, parents argued that the money their family members required to live in community as full and equal citizens should be allocated directly to them, based on their unique strengths and needs. In contrast to the prevailing supply side system based on block funding grants to service agencies, the new mechanism, IF, would enable people with disabilities to choose the supports that best met their requirements and support their citizenship aspirations. This in turn would result in the demand-led development of services (see figure 1B).

Similarly, though separately, the Independent Living Movement sprang from a decision by people with physical disabilities that the only sure way to gain real independence and self-determination was for each of them to create their own system of supports by hiring and paying their own personal assistants. For most disabled people, this could only be achieved by taking control of the public funding which was, or would have been, used for their residential or institutional care. The willingness of many disabled people to take this option, in spite of the extra burdens of administration and employer responsibilities, is indicative not only of the value to them of independence, but also their rejection of the possibility that support delivered by the 'traditional' system can preserve self-determination.

**Figure 1A:**  
*Basic structure of the dominant service funding and delivery model*



**Figure 1B:**  
*Basic structure of the IF service funding and delivery model*



## 2 Principles, Roles and Responsibilities

IF may be defined as -

*... public funding that is allocated to the individual, based on his/her unique strengths and needs, and placed under the control of the individual to enable them to live in community as a full citizen.*

The essential structure of individualised funding is simple, and its logic is compelling. It gives people the freedom to develop their lives, using allocated public funds in the way that they consider best. It provides a means to ensure that plans and services will not be imposed upon them by community service providers and public officials. It provides for a process of negotiation between the individual and the holder of public funds. It also obliges service providers to treat the users as valued customers, and encourages the emergence of innovative services to meet their requirements.

The structure of IF challenges common assumptions about the necessary association of powers and responsibilities. State fund-holders properly retain their responsibility for ensuring effective and equitable use of public funds, but lose their direct involvement in the spending of funds. Service providers, for their part, must find ways to deliver quality services without the security of block-funded contracts. In particular, a market which is shaped by inadequate funding (through the IF allocation stream) could become driven by price without concern for quality. This in turn could put excessive pressure on wage costs and result in a workforce that was incompetent, transient, and resentful. Thus, unions have a legitimate role to counter-balance such a trend through collective bargaining, but may find it difficult if workers are dispersed amongst many small agencies, or directly employed by the people they support. For collective bargaining to support the principles of individualized funding, it must be institutionalized with guarantees that protect the rights of consumers to make decisions about supports – the who, what, where, when, and how of supports. And, last but by no means least, those who choose to receive IF accept not only the power and freedom, but also the very substantial responsibilities of planning, buying, and managing their supports.

## 3 Key Policy and Implementation Issues

Implementation requires that the basic IF structure is underpinned by a number of devices which will enable each party to discharge its responsibilities. These devices are outlined in Table 1. As the Table indicates, they are all double-edged: they are ways to *underpin* the structure, but they also present risks which can *undermine* the principles without careful implementation. What the key devices should be and how they should be implemented is a matter of ongoing debate among those involved in designing, implementing, and using IF systems.

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Various issues in implementation, and debates surrounding them, are outlined below – issues for state funders; service providers; and individuals.

## Issues for State Fund-Holders

### *Individual Accounting for Block-Funded Services*

The introduction of IF will almost certainly require more sophisticated accounting systems than those required for block-funded or in-house services. As an initial step towards IF, the state fund-holder may wish to determine the true cost of current services to each person, to make it easier to assess the subsequent financial impact of individualized allocations. This is a legitimate approach, provided that implementation does not stop at this point: a system which merely tells people what their service costs are, without handing over control of funds or allowing any renegotiation, has no resemblance to IF.

**Table 1: Some devices proposed to underpin the structure of individualized funding**

DEVICE	INTENDED TO ASSIST ...	TO ...	RISKS/DISADVANTAGES
Vouchers issued to individuals in lieu of cash, usually along single or narrow categories of need	state fund-holders	ensure appropriate use of funds	May exclude some good options for using funds; will give excess funds to some & insufficient funds to others.
Banding recipients into broad categories of need	state fund-holders	control overall spending	May undermine true recognition of individual funding requirements
Approved provider list	state fund-holders	ensure minimum range and quality of services	May undermine development of market responsive to consumer demand
Crisis contingency funds	state fund-holders	provide fast and flexible responses	If used excessively, may deny recipients ability to plan from guaranteed funding allocation
Case (or Care) managers	recipients (ostensibly, though covertly may serve state fund-holders)	plan, select, and manage supports	Severe conflicts of interest if accountable to either state fund-holder or service provider.
Fiscal intermediaries	recipients	Avoids practical responsibilities of administering funds; meets need to account to state fund-holder; underlines secure availability of funds.	Accountability of intermediary must be clarified by contract binding on both state fund-holder and individual.
Service brokers	recipients	negotiate funds; plan, select, and manage supports	Undermines the control of the recipient if the broker has loyalties or obligations to providers or fund-holders.
Circles of support (families and friends)	recipients	negotiate funds; plan, select, and manage supports	Control may shift from the recipient to the circle.
Providers given guarantees of minimum income/business by state funding agency	providers	survive the uncertainties of demand-led market (especially during transition from block-funded system).	May obstruct development of demand-led market.

Unionization	provider staff	maintain adequate wages and conditions of employment	Could undermine worker accountability to recipients; excessive protection would unduly raise costs.
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### ***Determining Need and Allocations***

In principle, the process of determining the required size of an individual allocation should start from a 'blank sheet', with no assumption made about the funds required. It is a process based on the person's own aspirations and circumstances, not on a clinical assessment of 'need'.

However, this is likely to cause anxiety for the state fund-holder, who is asked to negotiate funding on a person-by-person basis, but must somehow reach the year-end with total allocations held within budget. Improved accounting systems, especially those which have a statistically based predictive capacity, may be some help, but will still leave many fund-holders embarked on large-scale implementation feeling very nervous. One further solution is to assess all candidates for IF and categorise according to a series of bands representing levels of disability - on the basis that there is likely to be a broad correspondence between degree of disability and support costs.

In itself, this information will assist the prediction of overall costs. Yet more certainty can be introduced by making it policy that funding will only be allocated within a range associated with the band in which the person has been assessed. ***Clearly this restriction does contravene a fundamental principle of IF, but may be tolerable as a temporary measure during the transition to IF arrangements.*** However, in our view it is essential to inform candidates about the band in which they are placed, and the limit to funding which it implies. In this way they can take responsibility for adapting their plans to fit available funds, rather than pointlessly enter into negotiations with a proposal which will not succeed.

**Figure 2: The position of devices in the balance of power**

<p><b>CONTROL WITH STATE FUND-HOLDER</b></p>  <p><b>CONTROL WITH INDIVIDUAL</b></p>	Individual service costs identified, but only as accounting exercise within block-funded services.	<p><b>ARRANGEMENTS WHICH DO <u>NOT</u> CONFORM TO THE PRINCIPLES OF INDIVIDUALIZED FUNDING</b></p>
	Services costed and allocated individually, but assessed and controlled by fund-holder.	
	Standard allocation of vouchers issued to individuals for 'purchase' of services.	
	Individually determined credits which individuals can trade for services from authorized providers.	<p><b>ARRANGEMENTS WHICH ARE MARGINALLY CONSISTENT WITH IF.</b></p>
	Responsibility for service planning and funding requirements notionally passed to the individual, but overseen by 'broker' answerable to state fund-holder.	
	Individual allocation remains in hands of state fund-holder, but spent according to the person's requirements, subject to contractual constraints from state fund-holder.	<p><b>ARRANGEMENTS WHICH ARE FULLY CONSISTENT WITH IF.</b></p>
	Individual allocation passed to fiscal intermediary, to be spent according to the person's requirements, but subject to contractual constraints from state fund-holder.	
	Individual allocation of money passed to the individual, subject to binding conditions of use, with monitoring arrangements.	
	Individual allocation of money passed to the individual with no imposed conditions of use.	

***Funding Mechanisms***

Individualized funding arrangements in which the funds themselves are handed over to the person (as in the UK Direct Payments system) offer the greatest level of control and freedom to the individual. (See figure 2.) But user control can also be achieved in other ways, and these may make it easier for the state-fund holder to ensure that funds are used in ways which are appropriate. One method is a system similar to a credit card or checking account through which the holder of the account can 'buy' services from agencies within the scheme, without handling the money. But such a scheme could only be regarded as consistent with IF if the amount of initial credit was the result of negotiation based on the individual's own requirements, and not a standard allocation (of the sort sometimes used in educational service voucher schemes). Even then, we have major reservations about such an arrangement, because it would limit 'spending' to those services within the scheme. IF should allow people to obtain the support they require from whatever source suits them best, and to encourage creative use of funds - for example by making use of mainstream community services. (Evaluation of some programs indicates that reductions in support costs under IF are often achieved in this way.)

Use of funds should be regulated by a contract which is binding on both parties, under which the state fund-holder agrees to make payments as directed by the individual. The contract can – and should – make provision for payments to be changed to different agencies if the user wishes. This arrangement can be further strengthened by the addition of a **fiscal intermediary** - essentially a banking organisation - which holds the full allocation and makes payments in accordance with the contract.

### ***Accountability and Monitoring***

At first sight it might seem that the other aspect of the state fund-holder's concerns – to assist citizens with disabilities – would coincide with the interests of those citizens themselves. To some extent that is true, and some issues are discussed in the section below on issues for individuals. But the fund-holder does have additional interests which may conflict with an individual's. The fund-holding agency has not only to ensure that IF recipients are adequately assisted, but also to *demonstrate* fiscal responsibility for public expenditures and services. This implies the need to monitor the actual use of funding - relatively easy if payments are made by the state fund-holder, or fiscal intermediary, direct to the provider agency, but risking complaints of intrusiveness when funds have been passed to the individual.

What extent of monitoring is justified? Market forces can contribute to the quality of the goods and services provided: customer satisfaction is what counts, not bureaucratically determined quality measures. There is enough truth in this to suggest that state fund-holders need to re-think their inspection and quality monitoring systems. However, there are good reasons not to abandon those systems entirely. Firstly, there is the need to allay public and political anxieties. Secondly, some of the consumers of support services may not be able to signal their discontent quickly, and although they will have family and/or advocates to protect their interests, inspection systems provide a second line of defence against mistreatment. Thirdly, there is the possibility that an unscrupulous provider agency might enter an unregulated market and acquire some business before, eventually and only after it had caused harm, becoming known for its unsatisfactory services.

### **Issues for Service Providers**

Perhaps the most vulnerable and challenging position within the new paradigm is that of service providers, the vast majority of which are either non-profit or profit agencies. They are positioned between government policy and individual demands. Historically, providers have enjoyed the power to decide how services should be delivered to each person. However, a demand-side approach to service creation places individuals in the rightful position of determining both the nature and scope of how service agencies respond. The emergence of IF, in addition to challenging certain aspects of provider culture, has resulted in a number of practical concerns that evoke some trepidation for providers.

### ***Ongoing Viability***

Of all the stakeholders, it is the service provider agencies which are likely to find IF most problematic and threatening. Since consumers will have real choices, agencies that are unable to provide what consumers want may indeed find that their "continuity of service" is undermined by the consumer's power to leave. This, at least, is the concern that they voice. However, from a consumer sovereignty perspective, if providers do not experience real financial pressure, and specifically the prospect of going out of business if consumers are not satisfied, then the marketplace will not have the incentive needed to meet individual demands.

### ***Unionization***

It is true that staff layoffs may result if there is reduced demand for service, in turn raising questions about staff morale and the unfunded liability for termination of service. It is virtually impossible to retain what amounts to an excess of staff under such circumstances. This situation will be likely encourage staff to unionize to counter such trends, a wider development with health and human services. Unions clearly have a role to play in terms of assisting workers to secure adequate pay and working conditions (health benefits; career ladder opportunities; pensions; fair employment conditions, etc). However, it must also be understood that the major contributing variable to the move to unionize this sector continues to be the lack of funding (leading to low wages and poor benefits) that itself is a reflection of the value that society, through government, places on people with disability.

### ***Staff Training***

A related staffing concern is how agencies which have traditionally received funding for staff training will continue to address this need. Even if individual budgets have a training component built in, there remains a concern about whether this will be sufficient to address the issue of minimum standards that most agencies will probably wish to ensure in their staff.

### ***Supply-side Funding***

These "viability" concerns begs the larger question of just how much financial support, outside of revenue generated from individual contracts, that agencies should expect from government to maintain administrative integrity, and thus ability to respond to what will undoubtedly be a changing marketplace. It seems unfair, and poor public policy for that matter, to place agencies in a vulnerable position because of the whims of the marketplace. It is for this reason that some observers have proposed what is referred to as the 85/15 model. In this approach, the funding body provides community agencies, perhaps those who have been identified as "preferred providers", with up to 15% of their anticipated yearly operating costs, thus ensuring some ongoing capability to respond to issues impacting agency functioning (e.g. payroll and accounting; recruiting and hiring staff for a new service). The other 85% of operating revenues are supplied from contracts with individuals. At the same time, and provider concerns notwithstanding, it should be pointed out that the various commercial enterprises must cope with staff conditions, security, training, etc. without the luxury of guaranteed income. If the new paradigm is intended to oblige agencies to compete on value to the consumer, then it is right that any they should go out of business if they do not deliver.

The 85/15 model addresses the issue of longer-term transition. There is also the issue of how providers might move towards a consumer-driven model in the short term, for example, by beginning the process of "unbundling" (allocating to individuals their portion of global budgets) funding already locked into services such as group homes and daytime and work related programs. It is highly unlikely that "unbundling" would be budget neutral. Service providers may require both incentives to begin this process, and a degree of financial protection for service disruption (e.g. temporarily maintaining staff levels because of a vacancy within a community home) while people convert their portion of global budgets to IF.

### ***Dealing with Crises***

Another issue raised by providers concerns how they will deal with crises situations. Many view crises, particularly in the areas of health and safety, as a likely outcome because their new status requires them to focus on provision, while removing entirely any control over active planning. A

possible response to this is to either have a crisis component funded as a percentage of each individual plan, or to make a crisis budget available to agencies (or individuals) which could be quickly accessed via negotiations with government.

### ***Standards and Accountability***

Another practical issue facing organizations will be possible changes required in their approach to the broader issues of standards and accountability. It is likely that the funding body will require certain minimum standards to which they will be expected to adhere. However, individuals will also have their own, and possibly quite different expectations of services and staff. Agencies have some trepidation in light of these potentially different demands, a key issue being that there may be new reporting requirements that actually increase administrative responsibilities. Related to this is the perceived difficulty that agencies and support staff will have in responding to the needs of what they are likely to regard as "too many bosses".

### ***Restructuring the Service System***

The transition to IF may result in gaps in services for some people. Clearly, some agencies will rise to meet the challenge, but the market as a whole may prove sluggish in responding to demands for new forms of service, as a result of the risks and costs which providers face in developing such services. For example, some providers might resist serving the residential needs of people with complex medical needs or challenging behaviors if they are uncertain about the financial implications of modifying their services, or creating entirely new services. There is also the issue of what is perceived to be government's real intent when supporting the introduction of IF. To some providers, it is a way of privatizing the marketplace to cut costs, while at the same time undermining the power of non-profit agencies, while gradually leading to an abdication of the state's responsibility to respond to citizens who have demonstrable needs. While this is perhaps less vexing for the larger, more financially secure agencies, it raises the possibility that smaller, niche providers may be forced out of existence.

There is another issue associated with IF that creates concern for some providers. On a deeper philosophical level, proponents of IF understand that it is a tool to enable people to achieve citizenship status in their communities - it is not necessarily about purchasing disability services, although clearly some people will continue to need to purchase more specialized services. This raises the issue that in the longer term, people will either by choice, or through government policy, opt to use generic community supports, effectively putting some agencies out of business, or at a minimum forcing them to make difficult choices about how they operate.

Many of the identified issues are technical in nature and therefore have technical solutions. Indeed, many solutions to some of these issues have already been addressed in some of the various pilot projects now operating around the world. For example, in Dane County in the US state of Wisconsin, considerable progress has been made in the process of unbundling, or individualizing, funding that has been tied up in residential and vocational services (Harkins & Rossiter, 1999). However, the fact remains that many potential problems are perceptual in nature and have more to do with the fear associated with moving from one way of doing business to another that is largely foreign to human services. This situation will require a commitment to inclusive policy making by government, the service sector and professionals in order to establish the good faith needed to underpin this critical transition period toward a fuller implementation of individualized funding.

## **Issues for Individuals**

### ***Access to Individualized Funding***

The greatest impact that public policy decisions around IF will have is on the everyday lives of people with disabilities. Accordingly, the greatest and most immediate issues for people who see IF as an option concern the degree of access, equity and decision-making power they will enjoy. While decisions about who ultimately receives IF are matter of public policy, to be carried out by the fund-holder, people with disabilities nonetheless want to play a consultative role in determining the eligibility criteria. This is critical because it is inevitable that demand for IF will exceed availability of funding. This is an issue of equity and will be extremely difficult, if not impossible to resolve so that everyone who has a claim on the resources of the state feels there needs are being effectively met. Additionally, it is being argued increasingly by people with disabilities that implementation of IF should be taken out of the traditional welfare framework to avoid further stigmatizing users. People with disabilities also want a simple and straightforward process, with a minimal number of entry points within the funding body.

### ***Gaps Between Need and Allocations***

Even with effective access guaranteed, there remains the potentially difficult issue of the potential gulf between what individuals might want and what government might be prepared to endorse and fund. Government will face internal bureaucratic pressures to operate in ways that categorize needs, along with clear criteria about what expenditures will be acceptable or not. This will not always accord with the various individual needs and lifestyles (some of which may be entirely acceptable choices for ordinary citizens), for which individuals will seek funding. Thus the specter is raised of people seeking funding for supports which others might judge to be off limits, too dangerous, too expensive, etc.

### ***Autonomy in Spending***

There is also the issue of how much autonomy users will have over their IF once it has been allocated. Some disability advocates suggest that they should have no constraints. It seems reasonable, however, to suggest that choice, while needing to be as flexible as possible, should have some parameters. Perhaps one response would be to utilize an initial agreement between the person and funding body that specifies, either generally or specifically, which services are to be purchased. Some general guidelines could be developed through a community consultation process to indicate the types of changes that will require no reporting, and those circumstances that might require government endorsement. Another unresolved question related to user autonomy is whether individuals should be able to spend money saved from their original agreement on services/goods that were outside of that agreement, including the ability to carry unspent funding into a new financial year.

### ***Changing Needs and Circumstances***

Some consumers have expressed fear that once IF has been negotiated, they will be vulnerable if their needs and circumstances change, and more funding is required. It seems reasonable to suggest that people need to have assurances that their funding agreement can be renegotiated on as-needed basis. With respect to crises, as mentioned previously, this might be dealt with in a variety of ways, including attaching a percentage to the budget in anticipation of crises, or making available a crisis budget that could be accessed in a timely manner by either individuals or their supporting agencies.

### ***Management Issues***

There are a number of additional issues that cause concern for many potential IF users, including: accountability to government for expenditure of allocated funding; employer of record responsibilities where they hire support staff; and planning as this relates to preparing an actual plan for negotiation with government that identifies needs, as well as any planning associated with meeting ongoing needs. Clearly governments and other statutory bodies will require individuals to exercise these responsibilities in a timely and appropriate manner.

It seems logical to assert that how individuals respond to the issues of fiscal accountability and employer of record responsibilities flow out of the process they engage in to plan for their needs. While these responsibilities can be onerous, a number of mechanisms (discussed below) have been proposed which can offer individuals the required information and practical assistance.

### ***Planning Supports***

Planning is regarded as a major system function in an individualized funding model. This function ensures that individuals and families have the support they need, and choose, in developing plans, negotiating funding, and selecting/developing services and supports. It is also a critical tool in ensuring cost-effectiveness of an IF approach. Through planning supports, individuals and families gain an opportunity to explore options which may be provided through generic services or funding programs beyond the a disability-related supports budget delivered through IF. As well, planning support agents can provide assistance to generic community service providers (recreation, health care), employers and others in making effective accommodations that minimize need for direct IF investments. Finally, planning support providers can assist in developing 'personal support networks' or 'circles of support', to assist individuals and families in managing their support arrangements. This minimizes the need for paid administrative and management supports. However, paid administration and management supports should always be examined as one of the needs individuals and families may have under an IF approach.

To date, planning has been vested in organizations and government, and generally operationalized through case (or care) management. The main criticisms have been that planning within these contexts represents a conflict of interest, and that moreover, this function operates more as a gatekeeping mechanism, often "planning" people into what "slots" or vacancies exist within the service system. A major policy debate during the last decade has centered around where this function should appropriately be located and how it should be funded so as to make it more flexible, responsive and accountable to individuals.

The most frequently discussed alternative planning method is service/support brokerage. This mechanism was first proposed by the Woodland Parents Group who reasoned that IF could only be the truly liberating vehicle they envisioned, if they could access independent professional assistance to develop a plan that identified their needs, negotiate for funding with government and effectively use that funding in community. According to parents, service brokerage is ". . . a technical, mediating support service, the primary objective being to assist individuals to capably use their allocated funding and, where necessary, to cross system and organizational boundaries to meet identified needs" (Salisbury, 1994 cited in Money for Change). To ensure that brokerage could respond effectively to individuals, they understood that this critical function needed to be community based and autonomous from government and other forms of direct service delivery. Significantly, parents were equally certain that brokerage **must** be an option, and not imposed, if they were to retain their status as empowered decision-makers.

Today, brokerage is recognized within various disability sectors as a vehicle that can provide users with access to information (e.g. location of potential services and ‘fair market’ costs, potential roommates; etc.) and technical assistance with developing service and support plans, budget development and funding negotiation, implementation of contractual agreements with service providers, conflict resolution and mediation, monitoring of service arrangements, ensuring that mechanisms are in place for financial administration of IF, etc.

The simplicity of the original Woodlands’ Parents Group model notwithstanding, a lack of conceptual clarity remains about an array of brokerage-related issues, not to mention a number of unresolved practical issues. Some people argue that brokerage can be done within services or government. However, this position does not recognize the conflict of interest that results. In response to some of the difficult practical questions that have emerged around funding this function, it has been suggested that this could be as part of the individual's plan, or via a block funded contract, or possibly even through the 85/15 model discussed earlier. Another approach could be to utilize a fee for service model for planning services rendered. Other questions remain about whether brokers will need to be certified in order to address issues around standards, skills and professional accountability. Additionally, since brokerage really represents in essence a transfer of the planning function to the community, there are unresolved questions about how this process will take place, and what this will mean for case/care managers who currently enjoy job security for the most part.

Ultimately, the actual design of these various planning and support functions, and their associated roles, will depend upon the needs of consumers, government policies, local area considerations, etc. For example, in some jurisdictions, the brokerage and fiscal intermediary roles (see below for a more detailed discussion of this device) are subsumed under one organization banner. However, it seems fair to say that brokerage will prove to be a particularly important option for people with disabilities. Indeed, regardless of the structure, community based brokerage that is accessible to, and controlled by, people with disabilities, offers some real hope that many of the practical problems associated with using IF (e.g. uncooperative providers; lack of services) can be addressed in an effective and timely manner, thus mitigating against some of the more problematic aspects of the marketplace.

### ***Financial Administration***

Another tool that has been proposed to provide practical assistance to IF users is the Fiscal Intermediary, or Intermediary Service Organization as it sometimes known. Essentially, these organizations (most commonly used in the USA), which vary in terms of their mandate and responsibility to consumers, are contracted by individuals to assist them to deal with payment of funds to designated providers and with various employer of record responsibilities such as payment of taxes, workmen's' compensation, employment insurance, etc. Clearly, consumers will need to retain decision-making control over how these intermediary organizations provide their services or the real intent of IF will be lost.

### **Additional Systemic Changes**

There are a number of other related policy issues which, while beyond the scope of this paper to address in detail, need to be examined in light of any move to IF. Obviously, there is a need for a broader policy framework that supports IF. For example, changes to income tax policy would enable families to write off certain disability related expenses. Similarly, changes to basic

income policy could remove people from their "poverty" status. Both policies would mitigate against the need for some people to even use IF, thus serving to reduce the fear that service providers have that a move to IF would cause overall system chaos. Questions exist around "competency", often from providers and professionals, about how people with severe cognitive impairments will use sophisticated mechanisms like IF and brokerage. To this end, there is a need to recognize and promote the role that family and friends, or legal mechanisms like representation agreements, can play in providing decision making supports to people seeking to achieve their own vision of citizenship.

## Conclusion

While the practical benefits and the moral arguments in favor of individualized funding are clear, shifting to an individualized funding system poses significant difficulties and challenges. There is no suggestion that there should be an immediate and total conversion of the present system to IF methods. Some people who require support may, for all sorts of reasons, prefer to receive their services from agencies funded by block grants, and it would be contrary to the values on which IF is based to deny them their choice. In particular, people who have newly acquired their need for support (and are possibly in the throes of practical and emotional upheaval) may well be more concerned about sheer survival than with empowerment and citizenship, and the swift delivery of services from a grant-funded agency may best meet their immediate needs.

IF is also best implemented gradually, starting from small-scale, localized programs which can then be extended or replicated. This approach will assist the development of partnerships between stakeholders, and reduce the financial risks (real or imagined) which might otherwise deter state fund-holders.

Gradual implementation in many different localities also maximizes the opportunities for learning through practice. As this paper has indicated, there is not yet – and probably never will be – a single ‘correct’ way to implement IF. The devices which have been proposed need to be tested and refined, and better devices may yet be invented. It would be wrong to define the IF model so closely that no room were left in the process of implementation for creativity. On the other hand, there must be *some* boundaries on the range of activities which can properly be described as individualized funding, or the model will become so weakened and diffuse that its potential to achieve radical improvements for people with disabilities and their families will be lost.

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## References

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