

Outsourcing services for rehabilitation of people with special needs from the state budget

Audit report No. OSIII-2-6/06/82 of 11 September 2006

Summary

According to the Social Welfare Act, persons entitled to the rehabilitation service include: children and adults who have a disability or who are applying for a degree of disability; persons with a mental disorder from 16 years of age to the retirement age whose loss of the capacity for work is at least 40%; juvenile delinquents on the basis of a decision of the Juvenile Committee.

EEK 28 million had been allocated for rehabilitation services in the state budget of 2005, but in reality services were provided for EEK 37 million. In the state budget of 2006 EEK 47 million has been planned for rehabilitation services. A part of it will be used for paying for the services rendered in 2005.

The Social Insurance Board has entered into a contract for provision of the rehabilitation service with 55 rehabilitation service institutions in 2006.

During the audit the National Audit Office assessed the organisation of rehabilitation and the purposefulness and legality of the use of the funds allocated for financing rehabilitation.

Main conclusions

The system designed for rehabilitation of people with special needs does not generate any prerequisites for achievement of the goals of rehabilitation. According to law, all disabled persons and persons who are applying for a degree of disability are entitled to rehabilitation services, but the funds allocated for such purpose in the State Budget Act are scarce and therefore there are long waiting lists of those who would like to receive the service. In 2005 fewer than 8,000 people received the services. As of the beginning of 2006 there were over 110,000 disabled persons in Estonia. The Ministry of Social Affairs has tried to cut the waiting lists by determining the financial volumes by target groups in 2006, preferring disabled children and people of working age, but the law does not provide for such an opportunity. The audit showed that even in the case of restrictions there were waiting lists among the so-called preferred target groups in 2006.

Achievement of the goals is not made any easier by the fact that over a half of the funds is spent on making rehabilitation plans or provision of accommodation services. Therefore there is less money for provision of the required services.

The waiting lists may cause an unnecessary waste of money. Since the services are provided only on the basis of the rehabilitation plan, which is made for a period of six months to three years, the rehabilitation plans may become outdated during the waiting period and a new rehabilitation plan must be drawn up instead of receiving the service. In that case the money spent on drawing up the rehabilitation plans has been wasted. The National Audit Office is not convinced that the state is able to provide all those in need with the services specified in the rehabilitation plan.

The quality of the rehabilitation services is not ensured, because no requirements for the content of the service have been established and the quality of the services is not inspected. The only condition is the qualification requirements for specialists providing the service. Although the basis for obtaining rehabilitation services can be only a correctly formalised rehabilitation plan it became evident during the audit that in certain instances services which were not specified in the rehabilitation plan or which were not rehabilitation services in essence had been provided. Almost EEK 1 million had been paid for such services.

Although the law establishes requirements regarding the composition of the rehabilitation team drawing up the plan, these are not always reasonable. For instance, many disabled persons do not have any speech or special learning problems and therefore involving a respective specialist in the team is not reasoned. In many instances the plans have been made by smaller teams than prescribed. The National Audit Office finds that the law should be made more flexible in that respect.

Rehabilitation services are provided by the same institutions that draw up rehabilitation plans. Such organisation of rehabilitation does not ensure that only the necessary activities are specified

in the rehabilitation plan, because the rehabilitation institution is interested in persons using as many services as possible in the institution that drew up the plan. Although the medical experts of the medical expert committees of Pension Boards must assess the rehabilitation plans, it has not been done. During the audit it also became clear that at least 40% of medical experts work in a rehabilitation service institution, although none of them is a member of the rehabilitation team.

The supervision exercised by the Social Insurance Board has not been sufficient. Although the duty of the Social Insurance Board is to exercise supervision over rehabilitation service providers, it has not been sufficiently performed. As indicated by the audit of the National Audit Office, payments have been made for rehabilitation plans and services, which did not meet the established conditions. The National Audit Office finds that before paying for the service the Social Insurance Board must verify that the service has actually been provided in the given manner. The regulation does not stipulate that rehabilitation institutions should maintain rehabilitation history of persons and at present the receipt of the service is confirmed solely by the person's signature or the signature of their representative on the invoice.

Main recommendations

To the Minister of Social Affairs

- To consider the possibility of making a motion to limit the circle of beneficiaries of the rehabilitation service by law pursuant to the goals of rehabilitation, because the funds allocated for rehabilitation in the state budget are limited and in 2005 only 10% of the disabled persons received the services.
- To develop the standards of the rehabilitation services so that all the disabled persons received services of the required quality for the purpose of achievement of the goals of rehabilitation regardless of the service provider.

To the Director General of the Social Insurance Board

- To take a position regarding reclaiming the sum of nearly EEK 1 million paid for non-compliant services.
- To demand that medical experts check the quality of the plans before approval of the rehabilitation plan and make certain that all the required specialists have participated in drawing up the plans. If the plans do not comply with the requirements, send them back to the rehabilitation institutions for modification.
- To improve the supervision over the rehabilitation service providers. To that end, to consider the possibility of releasing the supervision officer from other duties pertaining to rehabilitation.

In his reply the Minister of Social Affairs stated that specific measures for development of the new rehabilitation system (incl. rehabilitation service standards and rules of documentation) will be developed as a result of the project of the European Social Fund. According to the idea suggested in the concept of the Social Benefits for Disabled Persons Act, disabilities would not be designated to persons of the retirement age and thus, no rehabilitation services would be rendered to them either. According to the goal of rehabilitation, the rehabilitation of children, people with special psychological needs and disabled persons of the working age will be promoted further, also establishing larger financial volumes with respect to them upon financing the service.

The Director General of the Social Insurance Board promised to open up negotiations with the rehabilitation service providers for the purpose of reclaiming the sums paid for the non-compliant services. In the third quarter a training course in additional assessment of the rehabilitation service will be organised for medical experts and instructions of the rehabilitation service will be drawn up this year as well. For the purpose of improvement of the work of the supervision officer the Social Insurance Board has decided to reorganise the work of the supervision officer and to release them of other duties as of 15 September 2006 so that the supervision officer has more opportunities to instruct and inspect the rehabilitation institutions.

Director of Audit
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