Productivity Commission

Inquiry into Aged Care

Submission prepared by Care Connect Limited
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Introduction

Care Connect

Care Connect is a major community care provider supporting people with care needs to remain independent in their community. We operate from 15 offices across Victoria, New South Wales and Queensland, supporting 4000 individuals each year through over 300 dedicated employees.

Submission overview

Our submission focuses on the following key areas:

- We believe that Aged Care services need to move from funding and measuring "outputs" to funding and measuring "outcomes". The critical step in such a move is the adoption of a universal assessment system.
- We believe that the current packaged care system for Aged Care (CACPs, EACHs and EACHDs) works, but could be significantly improved through:
    - Greater flexibility between the current three levels of funding.
    - Greater flexibility in the movement of packages between regional boundaries.
    - Expansion to consider the needs of Carers and Clients simultaneously.
    - Greater transparency in the Aged Care Approvals Round (ACAR) and, in particular, the allocation of packages to providers.
    - Accelerated development of the Consumer Directed Approach for those Clients that are keen and capable of managing their own care
- We believe that Respite and Transport are two distinct high demand services requiring a review in the short term.
- We believe that, in order to promote quality outcomes for clients, we should formally separate accommodation needs from care needs.
- We believe that funding for aged care needs to reflect real cost movements.
- We see Workforce Development as a key area of focus to ensure we have the skills and capacity to respond to care needs.

Funding and measuring Outcomes rather than Outputs

The current system emphasizes the measurement and comparison of Outputs. As a result, these Outputs become the focus of both Providers and Clients. For example:

- "How much direct care can I buy for my package?"
- "How much of an administration fee should my Provider charge?"
- "How much will be spent on direct care vs case management?"

The difficulties with these kinds of measures are:

- They remain subjective: As Providers have an investment in their models, they will understandably promote them. For example, the value of more Direct Care vs Case Management.
- The relative value of each care model may not be easy for Clients to measure.
- Outputs do not necessarily correlate with Outcomes. For example, the number of direct care hours is not relevant if it is the wrong support and the Client's independence, health and welfare prematurely decline.

While an Outcomes model resolves these difficulties, it requires the adoption of a **universal assessment mechanism** based on:

- The consistent application across the aged care sector of one assessment tool as a "starting point" assessment, with periodic reassessment / review being used to measure outcomes (changes in assessment parameters).
- Universal accessibility: The assessment needs to be captured under a unique identifier and follow the person on their care journey. The assessment history needs to be available to providers from Primary Care through Community Care and into the Acute setting so that support plans can be adjusted quickly and effectively.

The benefits of using one validated tool would include:

- The ability to measure Providers on true Outcomes rather than how funds are spent.
- Independent monitoring of Providers against minimum industry standards.
- Operating under a more consistent care governance framework across aged (and general) care, hence mitigating some of the existing industry risk factors.
- A reduced need to acquit the use of funds; it is the Outcome that counts rather than how the funds are expended.
- The ability to allocate resources to Providers based on their Outcomes history. The most effective Providers should be supported with the greatest funding.

Internationally recognised assessment systems (e.g.: InterRAI) already exist and the adoption of one as part of an integrated e-health strategy seems both possible and desirable. While some believe that even a phased implementation of a universal assessment would prove costly, Care Connect believes that an end-to-end analysis will show that the lifetime value of such an approach will more than justify its establishment.

Improvements in the Packaged Care system

Care Connect supports the concept of packaged care because:

- It is well adapted to Person Centred Care and Consumer Directed Care.
- It lends itself to a complete approach to addressing a Client's needs, rather than the silo approach created by some HACC implementations. E.g. A HACC system that places clients on different waiting lists for different services, which become available in completely different periods, prevents a timely and structured support package for the Client.
- It allows the flexibility to quickly restructure the care approach to address a Client's changing needs.

We believe, however, that several improvements are possible including:

- **Greater flexibility between the package levels**

  The Community Care funding model is based largely around 3 tiers: CACP, EACH and EACHD. Ageing is, however, a progressive process and the gap between CACP and EACH fails many clients between these tiers and challenges continuity of care.

  We believe an expansion from 3 to 6 funding tiers (bounded by CACP and EACHD at the extremes), would provide a more effective mechanism. Clients would move between these tiers based on their universal assessment as outlined previously.

- **Greater flexibility in the movement of packages between regional boundaries**

  Packages are currently allocated based on demographics. Once allocated to a Provider, that organisation is obliged to employ the package in that geography, irrespective of demand.

  We believe that a system allowing Providers to quickly move unfilled packages from low-demand to high-demand regions would be more effective than the current centrally planned mechanism.

- **An expanded approach to simultaneously address the needs of the Client and their Carers**

  While Carers and Clients may have separate needs, these needs can be intimately intertwined. The current system treats Clients and Carers separately, with different supports available. An expansion of the packaged care system to allow Providers to recognise and address the needs of both the Client and his/her Carer, in a coordinated and simultaneous manner, will significantly improve outcomes.

- **Greater planning and transparency in the allocation of packages in the Aged Care Approval Round (ACAR)**

  The annual ACAR is extremely time consuming and costly for both Government and Providers. Care Connect believes the process could be significantly improved by:

  - Further development of the feedback process:

    Despite the existing feedback process, Providers are often still unclear as to why they may have been successful or otherwise in a particular ACAR round. By moving to an Outcomes model, the ACAR process would have a clear measure by which to allocate future packages.

  - Basing the selection on criteria that more closely reflect each Providers' true performance:

    The current ACAR process lacks objective data on Provider performance. Allocations to Providers are, therefore, made largely on the subjective content of their submissions. Indeed, a whole industry of "ACAR consultants" has developed to "spin" the best possible submission for each ACAR.

    In the absence of an Outcomes model, Care Connect suggests that the ACAR assessments need to be based largely on the results of accreditation, quality reviews or independent client feedback. The written submissions could then focus on proposals for innovative models or special needs groups.

  - Better matching of packaged care places with need:

    Care Connect believes that government needs to work in partnership with industry to achieve an improved distribution of packaged care places. The current demographic based allocation is no longer a good proxy for need. We suggest, instead, that allocations be made on the basis of regional waiting lists.

- **Accelerated development of a Consumer Directed Approach**

  The right to choose your own care is a fundamental one. Care Connect strongly supports the move to Consumer Directed Care (CDC) for those clients keen-and-able to direct their own care, provided that:

  - There are mechanisms in place to protect Clients from the risks inherent in such a model; and
  - The system is appropriately funded. At this time, the national approach to increasing choice assumes that greater choice will cost no more than the existing block funded mechanisms. This approach seems counterintuitive since:
    - Being obliged to market their services directly to consumers, rather than just government and referrers, Providers will naturally invest in marketing. As Provider costs increase, there

will be a consequent rise in the price of the services they deliver.

- By block buying services, Providers have the market power to minimise service costs and pass this value on to Clients. If Clients are buying services individually, their lack of scale economies may result in fewer services for the same funding.

Improvements in Respite and Transport

- **Respite**

  The current level of funding for respite services is insufficient. Residential facilities therefore lack the incentive to invest in the higher level of care that short term respite requires compared with long term residential care.

- **Transport**

  Transport affects the accessibility of many services and the lack of it isolates people and causes breakdown in medical care, community care and social connectedness. Door-to-door taxi is often the only option and clients are reluctant to use them. We believe that there needs to be an increase in accessible and affordable community transport. E.g. A door-to-door bus system as successfully employed in the UK, where a person can book a mini bus to collect and return them to their door.

Formal separation of accommodation and care

We believe there is a progressive and negative trend towards combining accommodation and care in the Aged Care environment. For example, Independent Living Unit facilities winning packages and then obliging or encouraging residents to use in-house care services. In the absence of an Outcomes based system, we believe this trend runs contrary to the premise of consumer choice.

Until such time as an Outcomes based system is implemented, the separation of packages from residential facilities will ensure that Clients can easily choose their care providers.

Government funding for Aged Care needs to reflect real costs

Care Connect believes that we have an obligation to be effective and efficient. We must always strive to deliver better outcomes for our Clients with the resources available. We are equally committed to a professional workforce by providing rewarding and fulfilling careers for our employees.

Operating costs are, however, rising faster than increases to care subsidies and care recipients' fees. As a result, the amount of care that can be purchased per package has been severely eroded over the past ten years.

In order to provide an effective aged care system, the government must ensure that real costs are factored in to funding. It is unsustainable to index funding by the recent 1.7% when cost of living indicators have risen by 2.9%, the minimum wage by 4.8% and utilities by as much as 10%.

Workforce Development

Dementia and its associated behavioural and psychological symptoms require highly skilled and specialised staff. As such the recruitment for these fundamental staff members is difficult, laborious and hindered by the limited number of candidates. There are not enough skilled people in the workforce.

A concerted effort by government and industry is required to promote careers in aged care. Education and training must be made more affordable with a more attractive remuneration and support package promoted to workers.

Concluding comments

As an emerging national community care provider, Care Connect welcomes this chance to contribute to the Productivity Commission's inquiry into aged care.

We believe that Australia already has a strong aged care system. We nonetheless feel that the most significant opportunity for progress would be through the adoption of an Outcomes oriented system based on a universal assessment mechanism.

In the interim, we encourage the ongoing development of the packaged care system, along with the high urgency areas of respite, transport and workforce development. Without doubt, however, development in this sector must be founded on funding that keeps pace with real cost increases.