Submission to the Improving Choice in Aged Care: ACAR Discontinuation Discussion Paper

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About Anglicare Australia

Anglicare Australia is a network of independent local, state, national and international organisations that are linked to the Anglican Church and are joined by values of service, innovation, leadership and the Christian faith that every individual has intrinsic value. Our services are delivered in partnership with people, the communities in which they live, and other like-minded organisations in those areas. With a combined income of over $1.94 billion, a workforce of over 11,000 staff and 6,000 volunteers, the Network delivers more than 50 service areas in the Australian community. Our services are delivered to over 474,00 people and reach close to 1.37 million Australians in total. In all, Anglicare services reach over 1 in every 19 Australians.

As part of its mission the Anglicare Australia Network "partners with people, families and communities to provide services and advocacy and build resilience, inclusion and justice." Our first strategic goal charges us with reaching this by influencing "social and economic policy across Australia with a strong prophetic voice; informed by research and the practical experience of the Network."

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Introduction

Anglicare Australia thanks the Department of Health for the opportunity to respond to the discussion paper *Improving Choice in Residential Aged Care: ACAR Discontinuation* (the Discussion Paper).

Anglicare Australia makes this submission on behalf of our members, and the older Australians who use their services. The Anglicare Australia Network consists of social and health service organisations that are linked to the Anglican Church in Australia, that share a belief in the value and the potential of every person, and the principles of justice, hope and compassion. Collectively our services to older Australians include financial counselling, emergency relief, housing and homelessness, and community-based mental health programs; as well as the provision of community-based and residential aged care services to more than 68,000 elderly Australians, employing 9,700 staff and deeply valuing the contribution of approximately 3,000 volunteers.

At Anglicare Australia, the aged care system we envisage sits within a society that is fair, inclusive and compassionate towards people of all ages and backgrounds. It prioritises the needs and perspectives of those most marginalised, traumatised and vulnerable in our society.

The discontinuation of ACAR progresses several key recommendations of the Royal Commission into Aged Care Quality and Safety, including promoting choice and control for older Australians, and encouraging innovation and high-quality service provision among providers. For this reason, we broadly support the proposals outlined in the Paper.

However, it is important for us to note that to achieve our vision, choice is not enough. The market cannot deliver for everyone. For providers, working in some areas, and supporting some people incurs costs that will never be commercially attractive. Access must be guaranteed for people who are unwilling or unable to act as “engaged consumers” and for whom choice is unrealistic.

The needs of vulnerable people are unlikely to be addressed through a reliance on market forces and mechanisms alone. The role of Government must be clearly articulated, and measures suggested in the Discussion Paper to ensure access for low-income and vulnerable older people should be further developed. Anglicare Australia recommends that the impacts of discontinuing the ACAR be closely monitored. We also call for a Market Stewardship framework for guaranteeing access. The framework should include a fund to address service gaps, infrastructure investment, and block funding for services who support diverse communities.

Designing a market for everyone

The Discussion Paper states that the discontinuation of ACAR will deliver a more competitive market, by allocating residential aged care places directly to older Australians. It argues that the existing system disempowers people and their families by limiting choice. It also disadvantages high quality providers, by limiting their ability to expand their service footprint to meet service demand.

Anglicare Australia's members have embraced the move towards a responsive, person-centred approach to care and support that led to the redesign of the aged care system over the past decade. In general, we support the discontinuation of ACAR, the fostering of innovation, and the empowerment of people to control their care. But without careful market stewardship and monitoring, the discontinuation of ACAR risks leaving gaps in services, and excluding some older people.

We know the market is unable to deliver for everyone. The Productivity Commission has identified that participants most at risk of being poorly serviced by the NDIS market are people living in rural or remote areas, people with complex or highly specialised needs, people from culturally and linguistically diverse backgrounds, Aboriginal people, or people with an immediate or crisis need.[1] The same forces will continue to influence the market in aged care places.

For an example of this in practice, the removal of bed licenses could result in concentration of investment and finance in certain, attractive, areas like high income metro areas and coastal regional areas. It may be more difficult to secure investment in less attractive, low-income areas, including rural Australia. Close monitoring will be needed of the impacts of ACAR removal on location, concentration and expansion of services.

While the new AN-ACC funding tool could help make the delivery of residential care more viable in rural and remote areas, this is not yet clear. Providers are yet to fully understand how the new model will impact their operation, and the potential for unintended or perverse outcomes remains. The additional funding is also not available for regional areas, potentially disadvantaging people in regional communities.

Too much focus on competition can also channel providers' attention and funding into marketing, brand management and advertising, rather than the experiences or needs of older people.

Recommendations: Monitoring the impacts of ACAR discontinuation

- Monitor impact of removal of bed licenses, including expansion and contraction of supply within regions
- Ensure the AN-ACC funding tool covers the true cost of service delivery, including in rural and regional areas.

[1] Productivity Commission, (2017) *NDIS Costs: Productivity Commission Position Paper.*

Addressing thin markets

'Thin markets' are a challenge to a marketized system. The design and introduction of the National Disability Insurance Scheme (NDIS) has made that clear. Thin markets can occur in geographic regions of sparse population, or for communities who have additional needs or are harder to reach.

The Government's role as market steward will be critical to ensuring everyone has access to and choice about services. While the paper raises the issue of access for "special needs groups", the approach to market stewardship and ensuring supply described in the Discussion Paper lacks sufficient detail to address this major challenge of equity and access.

The responsibilities of government as market steward include:

- engage closely with users, provider organisations and others to understand needs, objectives and enablers of successful delivery
- set the 'rules of the game' and allowing providers and users to respond to the incentives this creates
- constantly monitoring the ways in which the market is developing and how providers are responding to these rules, and the actions of other providers
- adjust the rules of the game in an attempt to steer the system (much of which is, by design, beyond their immediate control) to achieve their high-level aims.[2]

Since the evidence is clear that markets will not work for everyone, all the time, government intervention is critical to ensuring equitable access.

A robust policy framework is needed for this market stewardship. It should include infrastructure investment, not only for Aboriginal and Torres Strait Islander communities as suggested in the Discussion Paper, but culturally diverse communities to encourage them to enter or remain in the market and rural and remote communities.

Block funding for services with demonstrated capability and specialisation in supporting diverse groups, including those providing specialist homelessness support, and a process for allocating additional resources to fill market gaps should also be part of the framework.

Recommendation: Articulate the Government's role as Market Steward
Develop a robust Market Stewardship framework for guaranteeing access. The framework should include a fund to address service gaps, infrastructure investment and block funding for services who support diverse communities.

[2] Gash, T. (2014) *Professionalising government's approach to commissioning and market stewardship*, Institute for Government.

Supporting informed decisions

A marketised system assumes everyone has the capacity to engage with the system. For many clients of Anglicare Australia services, this is simply not the case. For many people, the complexity of navigating and negotiating their way to quality services can be an overwhelming burden.

For example, St Bart's in Perth is an Anglicare Australia Network member. It works with people who are homeless, who have alcohol and other drug issues, and who are ageing. Anglicare SA and the Brotherhood of St Laurence in Melbourne operate similar specialist services. People who are a part of these services certainly can have agency and build meaningful connections with staff and each other. But it makes little sense to cast them as autonomous consumers.

The Care Finders program, including the dedicated First Nations and culturally diverse programs, is a valuable addition to the service system which will help many vulnerable older people navigate and access the aged care system, and make choices about their care.

As well as supporting those who are disengaged, the new assignment system should collect information about whether a person has identified "special needs". This will assist providers to provide care that suits the person's needs, and help identify any service gaps and need for specialist services.

The Discussion Paper refers to people's choice to move services if they are unhappy with their existing provider. But people who are marginalised or vulnerable, or people living in areas with few services available, are unlikely to move providers very often. It's really only realistic for people receiving care in their home. They will be unable to benefit from the same choice and control as other people. Extending the Care Finders program to people who are seeking to switch services may help those who find themselves unhappy or with a provider who is poorly placed to meet their needs.

Information about quality of providers becomes increasingly important in a market driven allocation of places. Star ratings can help people who are engaged make informed choices about their care. However, poorly designed indicators and ratings risk misleading people about quality of care, or creating incentives for 'cherry picking' of residents that will assist in maximising specific indicators.

Recommendations: Assessments and choosing a provider

- Collect information about whether a person is from an identified "special needs" group, or has other vulnerabilities at assessment
- Provide people who wish to move services with access to care finders
- Ensure star ratings and quality indicators are well-designed, and do not discourage people from providing care to people with challenging behaviours or complex needs.

Information for planning

In order to be able to make informed decisions about the types and locations of services, providers need access to timely and local data. We support the collection, analysis and reporting of data suggested in the paper, including:

- Number of people in care
- Current and future bed availability
- Time in care and reasons for departure
- Number of residents approved and distribution of need
- Occupancy and vacancy levels
- Number of approved providers and new services.

In addition, population health information at a local level will help providers target services to people in need and plan growth. This will include data and projections about need related to homelessness, mental illness, drug and alcohol use and disability.

We support LASA's suggestion that information on the average distance between the residential address of a person prior to entering care, and the address of the residential aged care service would be a useful indication of access levels within a region.

While Primary Health Networks have access to robust data, we note that their catchment areas are very large. It will be important that data is local.

Recommendation: Collect local level data
Make sure providers have access to local data about supply and demand, as well as information about population health and special needs groups

Further information and next steps

Anglicare Australia thanks the Department of Health for the opportunity to make this submission. Although we broadly support the discussion paper's approach, we recommend that the impacts of discontinuing the ACAR be closely monitored. We also call for a Market Stewardship framework for guaranteeing access.

We would welcome the opportunity to further discuss these recommendations, or to elaborate on the input we've provided.