

# ARC Linkage Project: The Rise of the Consumer: Engagement of Older People with Consumer Directed Care



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**REPORT OF SERVICE PROVIDER  
ONLINE SURVEY**

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## Introduction

In mid-2014, the University of Adelaide commenced The Rise of the Consumer: Engagement of Older People with Consumer Directed Care. The project is funded by the Australian Research Council and is a co-operative project between the University of Adelaide (Faculty of Arts and Faculty of Health Sciences) and Torrens University Australia; and ACH, Resthaven Inc., Anglicare SA, Care Connect, Uniting Care Wesley Port Adelaide and Council on the Ageing – all of whom are represented on the project's Reference Group.

The project will explore the preferences of older people with respect to choices in aged care services, seeking to:

- Investigate attitudes and expectations with regard to the current system of care provision
- Define the factors that will potentially influence older people's preferences and involvement in consumer directed care (CDC)
- Examine the potential interaction between family, personal networks and CDC
- Determine which factors incline older persons to either manage their own care needs or look to an organisation to manage for them
- Examine attitudes to the management of their personal care budget

As a first step, a short online survey was undertaken with aged care service providers to develop an insight and knowledge base about the changes that organisations have, and may need to, implement; and to gauge how prepared providers are at this point in time, to deliver their services within the new CDC model.

## Method

In collaboration with Reference Group members, an online survey of 29 questions was developed. Divided into sections, the survey asked a mixture of multiple choice and free text questions on: organisational impact, preparedness at this time, CDC and the future, and organisational characteristics.

The survey was anonymous, and was open to all aged care service providers across the country, for 6 weeks in January and February 2015. Multiple responses per organisation were allowed. It was promoted on the University's webpage, through the Reference Group members and their networks, and also through peak bodies such as Leading Aged Services Australia and Aged and Community Services Australia.



## Results

Thirty one responses were received, although not every respondent answered every question. Respondents were from a range of professional positions as outlined in Table 1.

Table 1: Position held by respondent

Position	Number of respondents
Chief Executive Officer	2
Case Manager/Care Coordinator	2
Executive/Senior Manager	8
Project Officer	2
Advisor	5
Service Planner	1
Registered Nurse/Nurse	2
Administration Team Leader	1
Customer Service	4
Intake Officer	1
No position given	3

The organisations represented included both large and small providers, and those operating within one state and nationally. Of the 26 replies received regarding number of packages delivered, over 65% of providers deliver over 300 packages and almost 12% deliver between 0 and 100 packages.

The vast majority – over 46% – of providers deliver their packages in both metropolitan and regional areas, with just over 17% delivering packages in more than three states/territories or nationally. Of the 28 replies received, only one provider delivers packages solely in regional locations.

In terms of how many packages providers are currently delivering using a CDC model, of the 26 replies received, just over 42% of providers are currently delivering 76-100% of their packages using a CDC model. Just over 23% are delivering between 0-25% of their packages using the CDC approach.

### **Organisational impact of CDC**

Of 31 replies, 29 respondents felt that the biggest organisational impact of introducing CDC is in the area of program policies and operating procedures. Staff training and development (27 responses), client billing (27 responses), finance reporting (26 responses) and funds rollover (26 responses) were also seen as being heavily impacted.

With respect to operational activities and service delivery, the issue of highest concern was delays in filling CDC package vacancies caused by the time required to complete set-up, which could result in reduced profitability of the program (26 responses from 31). The second highest concern was staff understanding of, and compliance with, CDC principles and practice (24 replies); followed by clients' understanding of CDC principles and their responsibilities within the CDC model (23 replies).

Respondents were concerned about the appropriateness of the CDC for certain client groups. Of 29 responses received, 25 respondents felt that clients with dementia who have no active carer/advocate would not be suited to CDC. Clients who were resistant to services (i.e. those with whom it takes a long time to develop a rapport and develop trust) were noted by 24 respondents, and clients with significant mental health issues that require ongoing active management were also noted (21 responses).

The majority of respondents felt that CDC represents 'some change' to their organisation's historical approach to service delivery (16 of 30 responses) with almost the remainder feeling it was a 'major change' (12 responses). Only one response each was received in the answer choices of 'little change' or 'no change'.

In response to questions about the principles and business implications of CDC being understood by Board members, Chief Executive, Senior Managers and Operational Managers, there was a fair degree of confidence. The majority of respondents felt that both the principles and business implications were understood 'well' or 'very well' by the staff groups listed above. There was less confidence, however, that Frontline Care Workers understood the principles and practice of CDC. Of 30 responses, 11 felt that Frontline Care Workers understood the principles and practice 'neither well nor not well', 10 responses noted 'well', while just two responses stated 'very well'.

### **Preparedness at this time**

Two questions considered preparedness of the respondents' organisations for delivery of full CDC by 1 July 2015. The first, concerned specifically with preparedness of business systems, asked 'how well prepared is your organisation for the implementation of CDC funding in all Commonwealth funded package care programs from July 1st, 2015 with respect to your business systems?' Of 26 responses, just one replied that all community care packages were already fully compliant and operating as CDC packages and that business systems were fully operational within a CDC service model.

The second question, which considered preparedness overall, asked 'how well prepared is your organisation for the implementation of CDC funding in all Commonwealth funded package care programs from July 1st, 2015?' Only 13 people answered, which implies a level of reticence to respond. Of the 13 responses, over half (8) advised that they were still in the early stages of planning transition to a CDC service model and cannot yet advise whether or not they will be able to meet the deadline of July 1st.

Despite the responses outlined above, there was a high level of confidence that CDC will be successfully implemented and embraced in responder organisations within the next 12 months. Of 28 replies, ten respondents were 'very confident' and 13 were 'confident'; none were 'very unconfident'.

Full results for the multiple choice questions are presented in Appendix A.

### **CDC and the future**

There were four questions in this section, each of which allowed free text. The first two questions asked respondents about their feelings of the benefit of CDC to their organisation, and to their clients. The final questions enquired about changes respondents would like to see to future models of CDC; and the challenges and opportunities for providers in maintaining relevance in the future and responding to consumer demands.

#### ***Impacts of CDC on aged care providers***

Several respondents to the survey reported challenges associated with the implementation of CDC. Almost 20% reported that CDC delivered few – if any – benefits to the service they provide. CDC is perceived to be more complex and more costly to administer, with many of these costs passed onto the consumer. The informants also noted that, to date, both consumers and providers have failed to have a true understanding of the costs associated with their package – resulting in poor decisions, overspending in some instances and underspending elsewhere.

A number of respondents observed that CDC is positive in creating a new accountability environment, where consumers need to predict – and prioritise – their needs in advance; and providers need to understand the exact cost of their services. Many of the providers observed that CDC is likely to reshape their sector as new needs emerge for brokerage services, with individual consumers seeking agents to advise them and connect them to providers. Providers may be able to expand the management services they provide, and respondents saw the potential for agencies to generate income through niche markets and staff brokerage, and to market themselves as leaders in CDC implementation and management, promoting quality care and services options.

Finally, providers suggested that CDC has encouraged their organisations to change long-held practices, up-skill their staff and re-focus to help consumers think more broadly about the services they can receive. They anticipate that more choice for consumers will lead to having more satisfied customers.

#### ***Impacts of CDC on consumers***

Over half of the respondents (56% of 25 responses) felt that CDC provides the consumer with transparency in terms of their package, greater choice and control, and more flexible services that can support and improved lifestyle. However, this was countered in some replies with concerns that not all consumers will want the extra choice; and depending on where the client resides, and at what time they want their service, they may not actually have any extra choice. It was anticipated that the greater choice will lead to higher self-esteem and greater independence.

Several respondents felt that the benefits of increased targeting and individualised selection of services outweigh the fixed (set-up) and variable (ongoing) costs of the CDC model. They expressed concern that consumers do not understand that administration charges are taken from their package, and the effective value of their assistance is reduced. There was also concern that the level of consultation and planning required under CDC further reduced the quantity of funding available to deliver the services required.

#### ***CDC in the future – changes, challenges and opportunities***

The respondents suggested a range of changes they would like to see in future models of CDC. First and foremost was the desire for a simpler, more streamlined approach with better information – for both provider and consumer. Program guidelines that clearly outline what consumers can spend their package funds on, and how they can access other programs was seen as lacking. As well as a better community-wide understanding of CDC, it was felt that other government departments that are key to the success and smooth implementation of this model also require education.

There was frustration that the information that is provided regularly changes. Further, keeping up with the constant policy and program changes was seen as particularly challenging, in terms of service delivery, ability to satisfy consumer expectations and keeping staff trained and aware of what can and cannot be offered.

Many respondents articulated concerns with the financial structure of CDC. These concerns ranged

from agencies no longer having the ability to cross subsidise consumers; the level of administration fees and hidden charges; feeling that the CDC model allows less funds to be allocated to the customer to provide the level of service overheads and thereby restricts rather than increases choice; and that no differentiation has been made to the levels of care required, cost of providing services on weekends and public holidays and wages as determined by the employment awards.

Income testing was specifically raised by many respondents. They felt that clearer guidelines regarding income testing and its implications were required; with one respondent suggesting that income testing should be cancelled. It was felt that some consumers who are assessed as having to contribute to the cost of their care package are declining vacant packages and seeking alternatives elsewhere (for example Home and Community Care), continuing to struggle without any service, or entering residential care before they really need to.

Finally, there was concern about the spread of packages – with the feeling that there are too many level one and two packages, and not enough level four packages. In addition, an improved and more timely process to access higher level packages is required – especially if a consumer’s care package budget is exceeded and the consumer is either unable to, or refuses to, pay privately for higher level services until higher package becomes available.

## Discussion

Providers currently see more challenges than opportunities with the implementation of CDC. The key issues that providers need to address include:

- Finding ways to remain competitive, while retaining efficiency and providing quality services
- Developing ways to respond to changes in the way programs are designed, and the content is delivered, while retaining the appropriateness and level of services
- Identifying the real costs of packages, and mapping out ways in which to move from one package to the next, especially in light of income testing.

As one respondent noted, ‘The intricacies involved in establishing the systems and back of house functions to allow for the delivery of CDC has required extensive investment in time and resources.’ Many smaller providers may not have the ability or resources to affect the level of change required by the CDC model, and there is concern that specialist niche providers, for example those working with consumers from culturally and linguistically diverse and/or Aboriginal and Torres Strait Island communities, may not be able to transition to CDC. Some providers may decide to change their business model, for example by gifting and/or selling packages to other providers and focusing on residential care.

While many respondents were positive about the ethos of CDC, and even believe that they offer a consumer focused service, it was felt that this model ‘is not quite there yet’. Respondents said that the current model is not yet truly consumer focused. For example, consumers’ cultural diversity and lived experience is not considered, consumers are not able to opt out of CDC, and there need to be more options for consumers to purchase their own goods and products based on their needs. Finally, until the consumer holds the package funds and is fully responsible for its management, the model is not truly consumer directed.

## Conclusion

Consumer directed care is a major initiative that aims to improve quality of life for older Australians and ensure the better use of public resources. This approach draws upon international experience, and has parallels with the National Disability Insurance Scheme.

CDC should not be considered as a model set in stone. This survey has highlighted both the opportunities and the challenges evident within CDC at this time, and has suggested some pathways for further improvement. There is no doubt that Australia has enjoyed a considerable period of stability in the delivery of aged care services, and it is to be expected that the introduction of fundamental reform will require some tuning.

## APPENDIX A – Multiple Choice Question Results

### ORGANISATIONAL IMPACT

*Top five business areas that have been/are believed to be impacted by introduction of CDC (31/31 responses):*

1. 93.6% Program policies and operating procedures
2. 87.1% Finance systems (client billing)
2. 87.1% Staff training and development
3. 83.9% Finance systems (reporting)
3. 83.9% Finance systems (funds rollover)
4. 80.7% Quality systems
5. 77.4% ICT systems (staff rostering)
5. 77.4% ICT systems (client records and management)

*Top five operational/service delivery concerns in delivering under a CDC model (31/31 responses):*

1. 83.9% Delays in filling CDC package vacancies caused by the time required to complete set up (i.e. assessment, service planning) resulting in reduced profitability of the program
2. 77.4% Staff understanding of, and compliance with, CDC principles and practice
3. 74.2% Clients' understanding of CDC principles and their responsibilities within a CDC model
4. 70.9% Clients' compliance with CDC package fees
4. 70.9% Sub-contracting arrangements with other providers to meet clients' requirements
5. 67.7% Clients' willingness to actively participate in decision making about their services within a CDC model
5. 67.7% The organisation's ability to meet clients' expectation within a CDC model

*Top five client groups believed to be less well suited to CDC model (29/31 responses):*

1. 86.2% Clients living with dementia who have no active carer/advocate
2. 82.8% Clients who are resistant to services (i.e. those with whom it has taken a long time and significant staff effort to build rapport and trust in order to action service)
3. 72.4% Clients with significant mental health issues that require ongoing active case management
4. 62.1% Clients who are financially and/or socially disadvantaged
5. 58.6% Clients with low literacy skills

*Level of change to historical organisational service delivery (30/31 responses):*

- 53.3% Some change
- 40.0% Major change
- 3.3% Little change
- 3.3% No change

Understanding of CDC across the organisation

Organisation position	<u>Business implications</u> of CDC	<u>Principles</u> of CDC
Board Members	41.4% Well 20.7% Very well 20.7% Neither well nor not well 10.3% Not well 6.9% Poorly (29/31 responses)	48.3% Very well 27.6% Well 10.3% Neither well nor not well 10.3% Not well 3.5% Poorly (29/31 responses)
Chief Executive and Executive Managers	41.4% Very well 31.0% Well 13.8% Neither well nor not well 6.9% Not well 6.9% Poorly (29/31 responses)	44.9% Very well 37.9% Well 10.3% Neither well nor not well 6.9% Poorly (29/31 responses)
Operational Service Managers	48.2% Well 33.3% Very well 7.4% Neither well nor not well 7.4% Not well 3.7% Poorly (27/31 responses)	44.8% Well 37.9% Very well 13.8% Neither well nor not well 3.5% Poorly (29/31 responses)
Frontline Care Workers	Question not asked	36.7% Neither well nor not well 33.3% Well 23.3% Not well 6.7% Well (30/31 responses)

## PREPAREDNESS AT THIS TIME

*Level of business system preparedness, for implementation to CDC model from 1 July 2015 (26/31 responses):*

- 96.2% We are in the process of converting existing care packages to a CDC service model and our business systems will be fully operational and comply with a CDC model in all our services by July 1st, 2015
- 3.9% All community care packages are already fully compliant and operating as CDC packages and our business systems are fully operational within a CDC service model

*Level of overall preparedness, for implementation to CDC model from 1 July 2015 (13/31 responses):*

- 61.5% We are still in the early stages of planning our transition to a CDC service model and can not yet advise whether or not we will be able to meet the deadline of July 1st, 2015
- 38.5% 50% or less of our existing care packages have been converted to the CDC service model and we will struggle to have our business systems fully operational and compliant with a CDC service model by July 1st, 2015

*Confidence that CDC will be successfully implemented and embraced within organisation over the next 12 months (28/31 responses):*

- 46.4% Confident
- 35.7% Very confident
- 10.7% Neither confident nor unconfident
- 7.1% Unconfident

## ORGANISATIONAL CHARACTERISTICS

*Number of community aged care packages provided by organisation (26/31 responses):*

- 65.4% Over 300
- 15.4% 201-250
- 7.7% 0-50
- 3.9% 51-100
- 3.9% 101-150
- 3.9% 251-300

*Proportion of packages currently delivered using a CDC model (26/31 responses):*

- 42.3% 76-100%
- 23.1% 0-25%
- 23.1% 51-75%
- 11.5% 26-50%

*Delivery locations of packages (28/31 responses):*

- 46.4% In both metropolitan and regional locations
- 28.6% In metropolitan areas only
- 25.0% In one state/territory
- 10.7% Nationwide
- 7.1% In more than three states/territories
- 3.8% In regional locations only

Type of client groups provided with services (27/31 responses):

- 100% Broad spectrum of the community
- 7.4% Culturally and linguistically diverse clients only
- 7.4% Aboriginal and Torres Strait Island clients only

Organisation participation in the Commonwealth funded CDC pilot program conducted between 2010 and 2012 (28/31 responses):

- 53.6% Yes
- 46.4% No

Anticipation of organisation seeking additional CDC funded packages in forthcoming ACAR funding rounds (24/31 responses):

- 93.7% Yes
- 12.5% No

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