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Organisation name: (Enter N/A if this does not apply to you)

St Andrew's Village Ballina

Your role: (Enter N/A if this question does not apply to you)

CEO

Which statement best describes your involvement with aged care?

I work for a medium or small residential aged care provider

What perspective do you represent?

Aged care providers

If you work for a residential aged care provider, what type of organisation do you represent?

Not-for-profit

Are you located in a rural or remote area?

No

Are you a member of, or do you represent or provide specialist care to any of the following groups? (tick multiple)

N/A

Have you heard of the Independent Health and Aged Care Pricing Authority (IHACPA) or the Independent Hospital Pricing Authority (IHPA) prior to this public consultation?

Yes

How did you hear about this consultation?

Peak body or similar organisation

What, if any, may be the challenges in using the Australian National Aged Care Classification (AN-ACC) to support activity based funding (ABF) in residential aged care?

We have had experience from three shadow assessment visits, but only once did these assessors actually interact with the aged person. They cannot accurately make assessments from desktop audits albeit, on-site. The independent assessors tasked with conducting the assessments need to be audited, which should include provider feedback on the process to the funding body.

What, if any, concerns do you have about the ability of AN-ACC to support long-term improvement in the delivery of residential aged care in Australia that is efficient, sustainable and safe?

AN-ACC funding just covers the care need requirements, when assessed correctly. It does not allow for the continued care improvements required. The expectations from the ACQSC differ markedly from that which facilities are funded to provide, and that gap is widening. To keep track with international best practice and the expectations of the ACQSC, aged care consumers, themselves and their family to provide efficient, sustainable and safe, the funding levels for the classifications need to be higher and the NWAU rates more informed. The funding model does not recognise the need for providers to provision for asset replacement, for buildings, not for care equipment required to provide care. There is insufficient recognition of the cost of beds, mattresses, baths, hoists etc.

What, if any, additional factors should be considered in determining the AN-ACC national weighted activity unit (NWAU) weightings for residents?

MMM3 facilities' whilst accurately classed as regional, are not inner regional as we are a long way from the capital city and expenses for care provision are higher than recognised.

What should be considered in developing future refinements to the AN-ACC assessment and funding model?

NULL

What, if any, changes do you suggest to the proposed principles to guide the development and operation of the Pricing Framework for Australian Aged Care Services?

AN-ACC funding model does not adequately recognise the care requirements of residents with high mobility and high support needs to activate a Positive Behaviour Support Plan. This group of individuals require extensive care time yet the agency is not adequately compensated for this need.

What, if any, additional principles should be included in the pricing principles for aged care services?

NULL

What, if any, issues do you see in defining the overarching, process and system design principles?

The biggest issue is that the funding model does not take into account the value of Endorsed Enrolled nurses, leisure and lifestyle employees, not adequately provision for allied health professionals.

What, if any, concerns do you have about this definition of a residential aged care price?

NULL

What, if any, additional aspects should be covered by the residential aged care price?

What the pricing model does not currently consider well enough is the cost based funding requirements for small stand alone NFP providers. The adjustments components may be the answer, but more detail is required. Every organisation has to have a back office expense component recognised, through a management accounting approach. The costs of direct care delivery, in real terms, differs depending on the the size and locality of the organisation and there ability (or otherwise) to spread their costs across multiple cost centres. Small NFP providers deserve to have the true costs of direct care provision recognised, as well as the fact that funds are not taken from the provider to the owners as a return on their investments. The diversity in providers gives

consumers a true choice in their lives which is consumer directed care, but this can only occur if cost bases are adequately recognised.

What, if any, concerns do you have about the proposed pricing approach and level of the residential aged care price?

Whilst simpler to administer, the pricing approach lumps providers into groups and does not adequately assess expenses of individual providers. Providers should be required in the QFR to provide audited accounts for the quarter (the expense of which should be recognised) and this data utilised to assess unique circumstances should any expense code, justifiably fall outside a given range. From the perspective of a small provider, which does not benefit from economy of scale advantages, we deem it unfair that large organisations in the same region receive the same funding, assuming the same care needs. The adjustments framework can address this.

How should 'cost-based' and 'best practice' pricing approaches be balanced in the short-term and longer-term development path of the Independent Health and Aged Care Pricing Authority (IHACPA)'s residential aged care pricing advice?

There needs to be a balance between 'activity based', 'cost based' and 'best practice' approaches. The balance needs to consider the needs of the individual, and the real costs of the provider. Small tweaks and recognition of costs for provision will strike that balance. There should then be a premium paid to providers who can demonstrate their desire achieve 'best practice', again recognising the real costs of implementing best practice where economy of scale is not achievable. This could be provided in a manner similar to grants where outcomes specific to the funding need to be reported and acquitted.

What should be considered in the development of an indexation methodology for the residential aged care price?

Indexation by CPI, housing cost index or similar measure is too simplistic. The approach which looks at wage increases for the various staffing positions, food costs, utilities within a facility is preferable. Certainly there should be a greater emphasis on consumer contributions, without leaving those who require full support behind. Consumer contributions should not perversely lead to dual citizen classes.

What, if any, additional issues do you see in developing the recommended residential aged care price?

NULL

What, if any, changes are required to the proposed approach to adjustments?

NULL

What, if any, additional adjustments may be needed to address higher costs of care related to the resident characteristics?

Definitions of where the adjustments are to be applied, and feedback sought from the industry is required.

What evidence can be provided to support any additional adjustments related to people receiving care?

NULL

What should be considered in reviewing the adjustments based on facility location and remoteness?

NULL

What evidence can be provided to support any additional adjustments for unavoidable facility factors?

Audited Annual Financial statements, quarterly as a part of the QFR, to a consistent benchmarkable format and accounting requirements, per facility, is the best evidence possible. This will allow providers to present evidence against variations to benchmarked norms and in effect, request adjustments.

How should any adjustments for quality and safety issues be considered in the long-term development path of AN-ACC and the associated adjustments?

Adjustments should be considered as a permanent requirement within the funding model. Unique items of added expenditure, will always exist and cannot be wound up into a funding model at some point in the future.

Should hotel costs be incorporated into the AN-ACC funding model and what should be considered in doing this?

Yes hotel costs should definitely be considered in the AN-ACC funding model. whilst hotel costs are not direct care costs, they certainly contribute to the holistic care environment and holistic costs.

What should be considered in future refinements to the residential respite classification and funding model?

NULL

What are the costs associated with transitioning a new permanent resident into residential aged care?

NULL

How might workforce challenges present in the implementation and refinement of AN-ACC for the aged care system?

Higher costs required of organisations to attract and retain employees is significant at the moment, but this has not always been the case. Higher HR related costs should rise and fall with the available employment market considerations.

What areas should be included in the proposed five-year vision for IHACPA's aged care pricing advice?

NULL

What would be considered markers of success in IHACPA's aged care costing and pricing work?

The reduction in the number of small regional and remote providers who are leaving the industry and their communities is the best marker for a successful aged care costing and pricing model. Currently the financial strain on small providers, who are often the heart of regional and remote communities is the biggest concern currently in aged care.

Other comments

NULL

Please indicate if there are specific sections of your submission that you wish to remain confidential and the reasons for this.

NULL

I consent to IHACPA contacting me for further information or clarification about my submission.

Yes, I consent

Timestamp

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