

Submission to the Royal Commission into Aged Care Quality and Safety - Aged care program redesign: services for the future consultation paper

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Royal Commission into Aged Care Quality and Safety
GPO Box 1151
Adelaide SA 5001

By email: ACRCProgramDesign@royalcommission.gov.au

Dear Commissioners

The Consumer Policy Research Centre (CPRC) welcomes the opportunity to comment on the Royal Commission into Aged Care Quality and Safety's (ACRC) consultation paper - *Aged care program redesign: services for the future*.

CPRC is an independent, not-for-profit consumer research organisation. Our mission is to protect and improve the experiences and welfare of consumers, by producing evidence-based research that drives policy and research change. We conduct research across a range of consumer markets, with a focus on consumer decision-making, consumer data and the online marketplace. We also have a mandate to consider the outcomes of vulnerable and disadvantaged consumers participating in markets.

This submission highlights key findings from CPRC's 2020 report *Choosing care: the difficulties in navigating the Home Care Package market* (attached at Appendix A) as they apply to the consultation paper, particularly relating to in-home care. Our report draws on collaborative research between CPRC and an academic research team, comprising Dr Braam Lowies, Professor Christine Helliar, Professor Kurt Lushington and Dr Rob Whit from the University of South Australia (UniSA). This research provides quantitative evidence about how people navigate the Home Care Package (HCP) system, as well as their views on proposed improvements and structural changes to the system.

We note CPRC provided a previous submission to the ACRC in September 2019, which explored headline findings from our research with UniSA. The attached report contains additional analysis and commentary and makes recommendations for the structure and redesign of the HCP system, which we draw on in our responses below to questions 1-3 of the consultation paper.

Principles for redesigning in-home care

CPRC broadly supports the proposed principles for aged care system design outlined in the consultation paper, including that the aged care system be underpinned by respect and support for the rights, choices and dignity of older people; be transparent, easy to understand and navigate; and be capable of being implemented, monitored and evaluated. Several of the proposed principles are consistent with CPRC's *Five Preconditions of Effective Consumer Engagement* framework. This framework outlines the key aspects of market design that need to be in place to enable consumers to engage in a market and make effective, informed decisions:

1. barriers to choice and decision-making (such as digital exclusion or financial distress) are reduced or removed
2. information about the quality and price of the product is transparent, accessible and comprehensible
3. comparisons can be made simply and easily between alternatives
4. costs of switching between providers are minimised both in terms of time or financial costs
5. consumers are aware of how to access, assess and act on the available information, tools and supports.

Wherever individuals are required to make choices between care options, care providers or cost, we suggest these preconditions need to be in place, to enable individuals to make informed choices.¹ We note that many of the primary reasons for seeking a HCP – a change in health, long term illness or mobility limitations – may in themselves create barriers to access and support, and intrinsically affect decision-making. This adds a layer of complexity to the choice paradigm that is the basis for the marketised delivery of services.

Improving access to in-home care and awareness of support

If individuals are unaware of the in-home care and support available, they are unlikely to seek assessment until a limitation becomes more significant and a health professional prompts a referral for a HCP assessment. In redesigning home care to be more accessible, CRPC recommends outreach and awareness-raising programs to encourage more Australians to seek a HCP before minor illness, declining health or immobility becomes more significant (Recommendation 1). Outreach programs could be co-located with other key services, such as community health services, Centrelink and NDIS, where outreach workers could provide face-to-face advice to HCP recipients. The ACRC might consider the approach of the unique Victorian Access and Support Network program to reach particularly vulnerable and more isolated individuals.

Recent research has found that since the *Increasing Choice in Home Care* reforms, “fewer people entered into a HCP following hospital discharge”, and the study suggested “vulnerable consumers may be falling through the cracks”.² This may reflect individuals’ low awareness of how to go about seeking a HCP assessment, as well as the administrative burden for health professionals to navigate the system for their patients. Improving referral pathways and materials to assist medical professionals may help to ensure eligible individuals receive the care they need (Recommendation 2).

A more general awareness-raising campaign would help to capture those people who – without a support network – might miss out on home care support. The ACRC might

¹ Consumer Policy Research Centre, *Five preconditions of effective consumer engagement – a conceptual framework*, March 2018.

² Mikaela Jorgensen, Joyce Siette, Andrew Georgiou, Johanna I. Westbrook, “The effect of home care package allocation reforms on service uptake, use and cessation at a large Australian aged care provider”. *Australasian Journal on Ageing* (2020); 00:1–5.

consider the use of *nudges* (interventions that seek to change consumer behaviour by altering the structure of choices available) to help prompt older Australians to seek a HCP assessment. For example, when people aged 65 are sent a Seniors Card, there may be an opportunity to pair this mailout with information about available home care supports. The evidence from the behavioural literature has found that reminders at the time of key life milestones, particularly birthdays, can be effective at nudging individuals towards particular decisions or behaviours.³

We also recommend capacity building and training of employees in the My Aged Care Contact Centre to ensure people with reduced cognitive capacities can access meaningful information. Where those accessing the HCP system experience cognitive disabilities, research suggests ensuring call centre staff are trained in “supported decision making”, to enable people to make their own informed choices (Recommendation 7).

Our research found a third of those surveyed were unsure what level of HCP funding they received. This is concerning and raises questions about how individuals manage their care package if they lack an understanding of what their package entails, the quantum of funding, and the services available. Clearer structuring and descriptions of HCPs and related supports may help to improve understanding of both the support people are accessing and their eligibility for other types of support, reducing confusion and improving access and navigation. In our view, the three proposed streams – entry-level, investment, and care streams – go some way in addressing this issue and should be tested with consumers for comprehension before implementation.

Improving information about services and providers

Our research found HCP recipients have difficulty understanding key information about their HCP and relevant services. A third of HCP recipients in our sample reported difficulty understanding the pricing of their HCP, while just under half reported they were unsure where information about their daily fee was located. More than two thirds reported simple, consistent fees and charges would be a “very important” change to HCPs. CPRC recommends that all pricing information should be both simplified wherever possible and tested for comprehension (Recommendation 4).

When choosing between providers, the most important attribute identified by respondents was quality and reputation of providers. At present, home care services are essentially an “experience good”, i.e. quality is really only understood after the provider has been chosen and the services have started. This can make it more difficult to assess quality in the absence of other advice and information. Moreover, 65% of respondents reported more information about provider quality would be a “very important” change to HCPs. CPRC recommends the introduction of a quality measure that goes beyond notifications of compliance breaches, to enable people to differentiate between high and lower quality providers before they choose (Recommendation 5).⁴

Very few respondents indicated that they chose a particular provider because they offered a particular service (2.2%). However, three quarters of respondents indicated it was “very important” that “information on support delivered by provider be presented in a simple clear way”. This suggests people require clearer information about the support services that providers can offer (Recommendation 6).

It is important that all information for HCP recipients’ choices is consistent across different mediums. CPRC’s research has found that individuals may intrinsically seek out different

³ Elisabeth Costa, Katy King, Ravi Dutta and Felicity Algate, ‘Applying Behavioural Insights to Regulated Markets’, *Behavioural Insights Team for Citizens Advice*, 2016.

⁴ See also CPRC, “*But are they any good?*”, November 2018.

kinds of information to inform and make decisions – some seek out rational information (i.e. facts and figures), others prefer to seek the opinions of others, some seek both kinds of information, and some seek neither – instead they respond to choices as they are presented.⁵ Our HCP research has found a strong reliance on recommendations from others such as health professionals and family and friends, but also found that those on higher HCP funding use a range of different information sources. This reinforces the need for information to be made available and consistent across different mediums, including: face-to-face, over the phone, in-print, online comparison websites and the My Aged Care infrastructure (Recommendation 8).

Navigating the system – comparison, switching and managing services

Our research found almost 40% of respondents did not receive, or were unaware if they had received, a Care Plan outlining the services to be provided to meet assessed needs. This raises significant questions about the ability of individuals to effectively manage their own services and budget, and hold providers accountable. Audits may be required to ensure providers are meeting their obligations (Recommendation 13).

We strongly endorse the proposal in the consultation paper for face-to-face assistance to help older Australians and their families navigate the system and access the care they need. CPRC recommends the funding of independent advice to assess, assist with initial navigation of the system, and to provide ongoing support, with the capacity to provide reassessment if the needs of the individual change (see Recommendation 12).

A key finding from our research was the extent to which HCP recipients rely on trusted individuals – in particular health professionals, spouses, family and friends, and carers – to prompt them to seek assessment for a HCP, to provide information about providers, and to help them choose between providers. Those with higher level HCPs were more likely to rely on these trusted individuals to help them navigate the system and make decisions. Moreover, three quarters of respondents reported “independent advice and guidance” about their HCP would be “somewhat important” or a “very important” change to the HCP system. We suggest that those without access to a strong support network may encounter difficulty navigating the system.

The provision of independent advice and navigation assistance might enable HCP recipients to realise more value from their package funding. Our research found almost a third could not access all the services they wanted, and that almost a quarter of survey respondents reported staff were “somewhat” to “not at all” trained.

It is important people receive independent advice and navigation assistance at an early stage, as our research shows HCP recipients face significant barriers to switching providers once they are receiving services. The overwhelming majority (96%) of HCP recipients had not switched provider and only a small proportion (10%) considered switching – which raises questions about the efficacy of a market model to deliver care in-home. Those that considered switching (but ultimately did not) identified that a range of non-financial barriers stopped them, including:

- difficulties comparing providers
- uncertainty about how to switch
- *loss aversion* about aspects of their services they wanted to maintain.⁶

⁵ Forthcoming CPRC research

⁶ *Loss aversion* refers to people's tendency to feel losses more keenly than similar gains, and to prefer avoiding these losses compared with similar sized gains.

Further, nearly a third of respondents had underspent their package funding, with 13% reporting they were simply “saving for a rainy day”. A knowledgeable and independent advisor might be better placed to facilitate switching between providers of particular services and help an individual to better manage their budget.

Structural changes

As part of funding an independent advisor, CPRC recommends separating case management from service delivery (Recommendation 14). We suggest the current structure creates the potential for conflicts of interest, because the entity managing the funding package is also delivering services and may therefore prioritise services that are in their financial interests rather than the interests of the HCP recipient. It may also be more equitable to separate the cost of case management/ transport from the service delivery, so that those who require more advice/ transport costs do not have the value of their package reduced by higher fees.

While evidence suggests that case management can account for 40% of a HCP budget, it is also unclear to what extent case management refers to administrative management of services or includes clinical case management by a trained professional.⁷ Separating case management from service delivery might help resolve this ambiguity, enable closer liaison with health professionals, and ensure effective clinical case management is delivered where needed.

Choice and control

In considering the new design of the aged care system, we recommend the ACRC consider the evidence from the behavioural economics literature that finds individuals’ preferences to exercise control and make choices varies. This includes understandings of *relative consumer engagement* – a “situation in which consumers differ in the extent to which they engage in a market”.⁸ Relative consumer engagement may be more pertinent in a context such as HCPs, where some individuals do not consider themselves ‘consumers’ and rely heavily on the recommendations of healthcare professionals, where the services address very personalised care needs, and where many people receive relatively infrequent services (45% of survey respondents received one hour or less of care per week).

The HCP recipients in our research indicated different preferences to exercise control in managing their care package:

- 41% sought more independent advice and guidance to help make choices,
- 26% sought more direct control over funding,
- 18% sought to defer choices to an independent trusted advisor, and
- 15% were ambivalent.

Facilitating people’s differing capacity and preference to make choices – or not – should be a key consideration of the new aged care design. Fair, safe and effective services should be available to all consumers, regardless of this preference.

Further, we anticipate the redesigned navigator service could enable recipients and carers to make more informed, meaningful choices, or could provide recommendations as per the

⁷ Norma B. Bulamu *et al.*, “An early investigation of individual budget expenditures in the era of consumer-directed care”. *Australasian Journal on Ageing*, (2019).

⁸ Amelia Fletcher, “Disclosure as a tool for enhancing consumer engagement and competition.” *Behavioural Public Policy* (2019): 1-27.



assessed needs of the individual (as outlined in a Care Plan), and informed by new measures of quality and clear information about the services delivered by providers.

If you have any queries about this submission, please contact Ben Martin Hobbs, Senior Research and Policy Officer, on 03 96379 7600 or at ben.martinhobbs@cprc.org.au.

Yours sincerely

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