



Regional, Rural and Remote

Consumer Directed Care Submission

Aged & Community Services WA Inc (ACSWA) is the peak body representing the church, charitable, and not-for-profit providers of residential and community care for older Western Australians in metropolitan, regional, rural and remote locations.

The purpose of this submission is to inform Government of the inequity and subsequent risk to financial viability for rural and remote home care providers, following the 1 July 2015 introduction of CDC for all Home Care Packages (HCP).

ACSWA put these concerns to former Assistant Minister for Social Services Hon. Mitch Fifield at a meeting earlier in the year. It is understood that subsequently the Aged Care Financing Authority (ACFA) has investigated this matter and will be delivering its report during December 2015.

Executive Summary

ACSWA supports the objectives and philosophy of consumer directed care, which aims to enable people to remain living at home with greater choice and flexibility, although those living in rural and remote communities face greater challenges in enjoying the benefits of CDC compared with metropolitan residents.

The geographical distances and associated challenges for implementing HCPs under CDC principles across Western Australia's vast rural and remote communities have raised the following key concerns for ACSWA member providers;

- Risk to financial sustainability and future viability for home care providers;
- Equity in access to home care services for consumers; and
- Cultural challenges in implementing consumer directed care key elements in choice, flexibility, individualized budgets and monthly statements.

The first issue relates to the additional cost involved in delivering services to rural and remote areas under a CDC model causing serious risk to the financial sustainability and future viability of not-for-profit and charitable organisations. Previously these additional

costs would have been absorbed by organisations through utilising under spent home care funds to service the whole community, rather than individuals.

Additional operating cost associated with delivering CDC packages in isolated communities include;

- Transporting staff and consumers over large distances, staff time, fuel and accommodation cost (for example, 6-8 hour return drive and accommodation cost to visit one or more consumers);
- High staff recruitment, relocation and training expenses, plus higher wages are required to attract and retain staff, plus address high staff turnover rates in some areas (for example, one member reported a turnover of 12 staff within a year);
- High operational expenses associated with building, car, equipment and technology maintenance due to the high cost of materials and tradespeople in remote areas.

The introduction of individualised budgets for consumers as required under CDC principles, means that organisations are no longer able to manage the funding mechanisms to cover additional expenses for the delivery of home care services in isolated communities. As well consumers in isolated communities are less likely to be able to make contributions to the cost of their care as they are typically low income earners.

ACSWA is concerned that the combination of these factors could place provider services at great financial risk and we believe that without appropriate government funding and support, providers could eventually close their home care services.

ACSWA is further concerned that these highly possible outcomes for rural and remote provider services could result in consumers having little or no choice in home care services within their local community. Consequently, consumers may need to relocate to another regional centre for access to home care services, or enter residential care prematurely.

While the Government's viability supplement and financial hardship provisions provide some assistance to providers and consumers in order to compensate for some of these additional cost, they are not fully effective in their current state.

ACSWA understands that while the existing ARIA viability supplement is helpful, it is not adequate to cover the additional cost associated with delivering home care in rural and remote communities. We also understand the current system is not fair in application, for example:

Broome WA ARIA score is 9.0 which equates to \$14.54 covering a 15 minute trip within Broome. Kalumburu ARIA score is 10.55 which equates to \$17.45, but travel to Kalumburu is usually a charter flight costing approximately \$4,000.00 plus accommodation of \$100.00 per day.

Financial hardship supplements for consumers in rural and remote communities are available, however ACSWA believes that special provisions are required to improve the ease of access for people who are considered a special needs group under the Aged Care Act 1997. These include people from Aboriginal and Torres Strait Islander communities, people who live in rural and remote areas, and people who are financially or socially disadvantaged.

Case study:

A man living in Derby WA, of Aboriginal descent requires assistance with all activities of daily living due to experiencing a stroke. He currently resides in an Aboriginal hostel with his wife, who is his carer, and English is his second language.

This gentleman was unable to supply the Department of Social Services with the required two bank statements, due to his bank not being in town and the local post office not supplying bank statements, plus inadequate records of his expenditure.

Therefore his application for the financial hardship subsidy was declined following five months of correspondence with the department, due to lack of required information.

The second key issue raised by ACSWA members is the impact that additional cost in service provision has on consumer services. Following the introduction of individualized budgets which limits the ability of the provider to fund additional operational expenses, some consumers are consequently experiencing a decrease in services.

Additional cost incurred by rural and remote providers can result in higher administration fees for consumers. Once these fees are subtracted from the consumer's budget the total value of their remaining package is far less than consumers living in urban areas. ACSWA believes this raises serious concerns of equity and the effectiveness of this funding model for consumers living in isolated communities.

Case study:

One rural and remote provider reported that their administration cost equates to 60 per cent of the consumer's home care package subsidy, in comparison to an average of 27 per cent across all levels of 77 home care providers surveyed by KPMG, as noted in the April 2015 report 'Formative evaluation of the Home Care Packages Programme'.

ACSWA believes that the Australian Government has a responsibility to ensure that the home care funding model is equitable for both providers and consumers, regardless of their geographic location.

ACSWA recommends that Government should consider intervention and support to ensure rural and remote organizations maintain financially viable to prevent service closure, which would leave consumers in isolated communities without essential home care services.

The third of our members key concerns relates to the cultural challenges they experience in applying the CDC elements consisting of consumer choice and flexibility, care and services, individualized budgets and monthly statements.

ACSWA understands that CDC service standards differ significantly to the values and beliefs of the Aboriginal population, and some of these key elements do not benefit people living in isolated communities.

Case study:

Consumers living in isolated communities have limited choice, both in the organisations that provide home care and in regards to who delivers the care. There are often no service brokerage options available to consumers with the exception of family members, which is not encouraged.

Therefore rural and remote consumers do not have the same choice and flexibility available to them as would exist in open market conditions typically enjoyed by consumers living in urban areas.

We understand other cultural challenges include communicating complex assessment, care planning and financial components of CDC, in particular explaining individualised budgets and monthly Statements with consumers where English is their second or third language. In these cases, access to interpreting services can be timely and costly, especially when a local interpreter is not available.

ACSWA further understands that some consumers have found the transition to CDC very distressing and difficult to understand. Also, we understand that consumers are concerned to ensure that basic care needs continue to be met including meals, personal care, clean clothes and social support in a safe environment, rather than receiving care plans and monthly statements.

ACSWA has long voiced the view that that one system does not fit all communities and reiterates our call for Government to consider alternative funding models that better meet the unique needs of isolated communities within Western Australia and Nationally.

Recommendation

ACSWA recommends that the Australian Government should review the soon to be published ACFA report into the issues affecting the financial performance of rural and remote providers and act on key recommendations that benefit rural and remote aged care providers as a matter of urgency.

ACSWA strongly urges Government to consider the following recommendations, which we believe will contribute greatly to maintaining sustainability and equity in service provision for rural and remote providers.

- Review of viability supplement (ARIA scores) system to be more effective and fair in application.
- Improve the ease of access to financial hardship subsidies for consumers considered as people with special needs under Aged Care Act 1997.
- Consider alternative home care funding models to be made available to rural and remote communities.