

Increase transparency by creating a simple aged care provider performance scorecard to assist consumers.

Overview

- Quality of care and financial transparency, as highlighted during the Royal Commission into Aged Care Quality and Safety, are paramount to consumers.
- NSA surveys have consistently indicated financial transparency as a key concern for older Australians. This concern will grow as older people contribute more for care.
- Since the Royal Commission, numerous innovations have emerged to enhance the transparency of aged care providers performance, regarding quality and financial management. These include star ratings and dollars for care etc.
- This plethora of data is overwhelming and beset by significant methodological problems and data errors.
- While disclosure of all providers financial data is critical, there is a need to extract the most relevant performance indicators to support decision making and encourage appropriate provider behaviour.
- As in the superannuation sector, consumers need a simple “performance” test showing a providers’ quality rating and financial sustainability as key metrics.

WHAT ARE WE CALLING FOR?

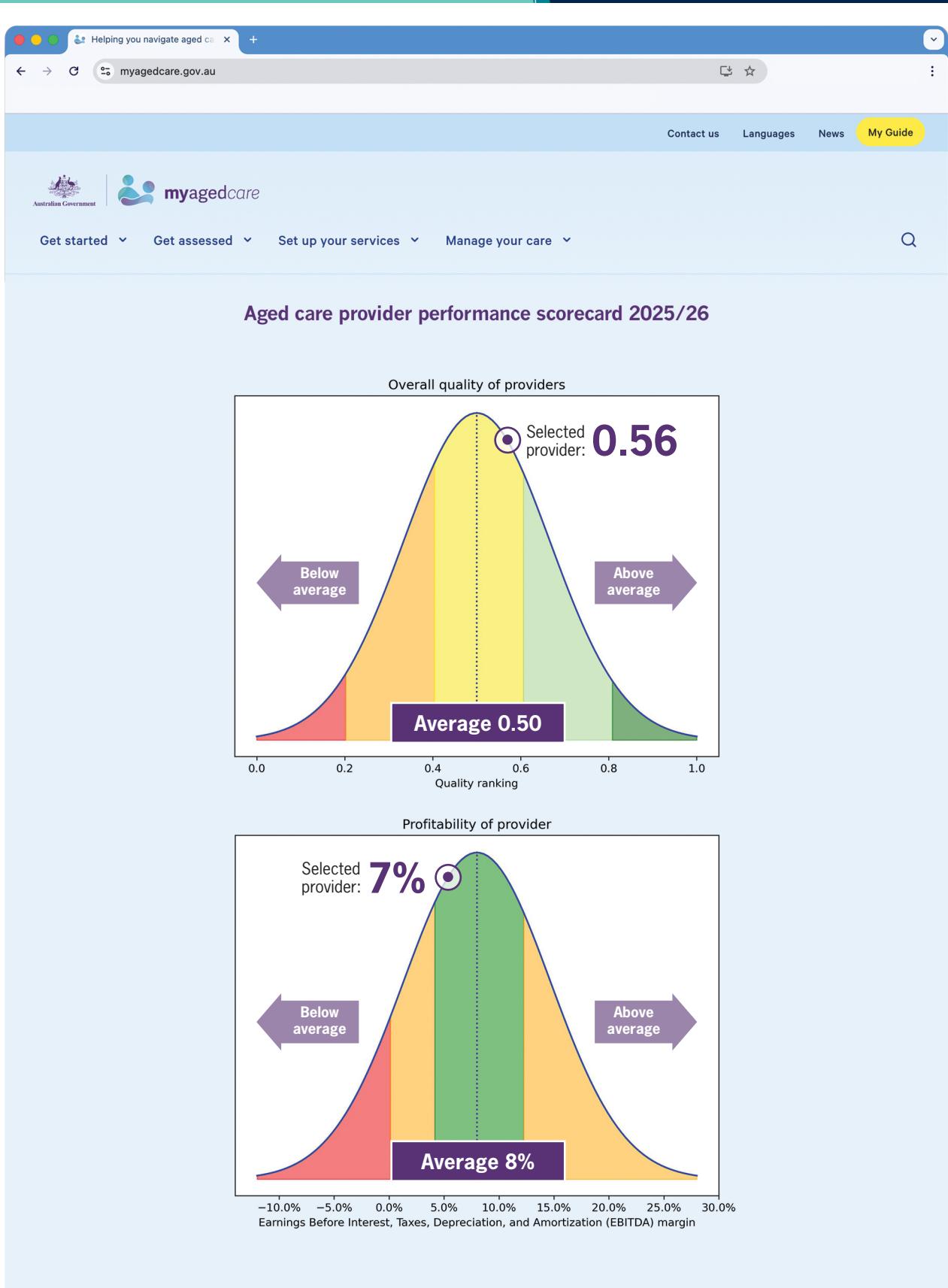
- A streamlined one-page consumer facing “performance” scorecard that allows consumers to quickly and easily understand if a provider meets acceptable “service quality” and is “financially sustainable”. The tool should (modelled overleaf) enable consumers to easily understand a provider’s performance relative to other providers and acceptable norms.
- Providers located in red zones would be classified as providing poor quality of care or excessively low or high profitability. Data for “quality” could be sourced from the existing star rating system. While the information on “financial sustainability” could derive from the existing Aged Care Financial Report. As such, this approach will not be onerous on providers.
- Profitability data could be averaged over time to accurately reflect providers circumstances and should account for capital costs associated with refurbishment and expansion for providers offering residential care.

Budget impact

- The cost to design and implement a new consumer facing performance tool should be significantly less than previous transparency projects given much of the data is already collected (\$100 million was allocated in the 2021 Budget for several projects to deliver improved consumer transparency, including Star Ratings).



POLICY RECOMMENDATION



Concept design for proposed Aged Care Performance Scorecard