



Consumer Directed Care In Australia: Early stage analysis and future directions

July 2017

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EXECUTIVE SUMMARY

Background and purpose

This project examines the introduction of Consumer Directed Care (CDC) in community care services in Australia. In 2015, Consumer Directed Care became a legislated requirement for all care provided under the Commonwealth Home Support Program (CHSP) and all new Home Care Packages, with a focus on flexibility and choice. The CHSP is a consolidated program that provides entry-level care to independent older people living at home. The focus of this program is on wellness, reablement, and restorative care. It is currently block funded to service providers by the Commonwealth Department of Health until 30 June 2020, with new funding conditions and reporting requirements being developed by the department for implementation from 1 July 2018. The Home Care Packages Program was set up for the provision of ongoing help with day-to-day activities for older people with more complex needs who still desire to stay in their homes and communities, and 'age in place'. It is funded via individualised funding packages. Clients are assessed, and, once approved, are placed on a national queue until a package becomes available. Approved providers work with clients to choose services that meet their individual care needs. Ongoing reform of CDC continues, and includes the engagement of the Older Persons Advocacy Network (OPAN) from 1 July 2017 as a single national provider of the National Aged Care Advocacy Program (NACAP).

Current projections state that by 2050 more than 5 million people will access aged care services. The Aged Care Roadmap recommends a 10 per cent growth in Home Care places over the next 2 years, faster than the current 4 per cent growth in the population of people over 70 years. In 5-7 years, it recommends the Government uncap supply.

Evidence coming from recent National Seniors Productive Ageing Forums and member surveys suggest that there is some risk of market failure occurring in the delivery of CDC. Some consumers are experiencing lack of choice, insufficient or non-existent service provision, problems in accessing the My Aged Care gateway, and the need for advocacy and coaching. This study aimed to bring together data collected on the use of Consumer Directed Care (CDC) and community attitudes to it in its early phase, to help facilitate the development of this care option.

A National Seniors Australia (NSA) member survey was designed to sample older Australians on their knowledge and attitudes towards CDC, their expectations and experiences. This report is designed to contribute to the ongoing assessment of the opportunities and challenges in the provision of CDC.

Data and methods

The NSA study reported here was an online survey that collected information as part of the National Seniors *Submission to the Aged Care Legislated Review*. A total of 46,000 National Seniors members residing in all states and territories of Australia with an email address were invited to complete the survey.

Key findings

The consumer support for Consumer Directed Care is high. Older Australians greatly desire choice and flexibility in aged care. Confidence in the system is rated far lower. When asked if they were confident in being able to choose a provider to suit their needs, one fifth say 'no' and 35 per cent were 'unsure'. Nonetheless, those who express no confidence or uncertainty, rate choice as extremely important to them in around 70 per cent of cases.

Consumers are unsure about government control of aged care places but hold the sentiment that the provision of aged care places should be driven by consumer demand. There is concern that, since the introduction of CDC, administration fees have increased significantly. This is partly because they are now transparent and partly because it is more expensive to provide non-standard packages.

Aged care providers have experienced issues with the rollout of My Aged Care, but are supportive of Consumer Directed Care. There are problems with the national queue, and some funding uncertainty, although this was addressed recently with the extension of block funding to CHSP service providers until 30 June 2020.

Conclusion

Australians want choice and flexibility in aged care and both consumers and providers are supportive of Consumer Directed Care. There is risk of market failure and some early phase issues. Digital literacy can impact access to aged care, and there is recognition that advocacy is needed to enable effective service choice. Market changes include new care-on-demand online platforms, digital innovations in care assessment and management, and changes to accommodation styles.

Low confidence in the system is felt in regional areas due to lack of choice, high administration fees, and the difficulty of transition between entry-level care and Home Care Packages. Consumers are unsure about the uncapping of supply but want aged care to be provided in line with the demand for it. An increasingly market-driven industry will have positive effects, but vulnerable older Australians are already struggling with choice, and require care management and coaching. On the positive side, My Aged Care is viewed as a responsive system to change when constructive comments are made.

Acknowledgements

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INTRODUCTION

Background

Consumer Directed Care

This project is focused on the introduction of Consumer Directed Care (CDC) in community care services in Australia. The initial pilot program during 2011-12 was part of the Commonwealth aged care reform process. Informed by the Productivity Commission report, *Caring for Older Australians* (Productivity Commission, 2011) of 2011, the Government developed the Aged Care Reform package, *Living Longer Living Better* (LLLB) in 2012, with a 10-year plan to modernise the aged care system. LLLB identified the lack of integration across programs as a deficiency of aged care delivery and, accordingly, in 2013, a single gateway, My Aged Care, was introduced as the main entry point to aged care in Australia. It consists of the My Aged Care website and contact centre, providing information about aged care to consumers and family members, information for service providers, online service finders, and fee estimators.

Some problems in the service delivery of aged care were identified in LLLB, such as the lack of emphasis on wellness and restorative care, increased longevity, meaning more older Australians are reaching ages at which they experience chronic health conditions, and the growing demand for home care. Thus 'ageing in place', became a priority for aged care reform, to help people with increased care needs to remain in their own homes. In 2015, Consumer Directed Care became a legislated requirement for all care provided under the Commonwealth Home Support Program (CHSP) and all new Home Care Packages, with a focus on flexibility and choice:

Consumer directed care, or consumer direction as it is referred to in the CHSP, is an approach to planning and management of care which allows consumers and carers more power to influence the design and delivery of the services they receive, where they want and are able to exercise choice. It seeks to tailor the mix and range of services to a client's preferences, where possible, as well as allow greater flexibility in the timing and scheduling of services and in how care is shared between informal and formal carers (Department of Social Services, 2015).

Commonwealth Home Support Program

The CHSP is a consolidated program that provides entry-level care to independent older people living at home. The focus of this program is on wellness, reablement, and restorative care. The wellness approach seeks to identify client abilities rather than difficulties, and build the capacity for self-management and autonomy, in other words, what the client might be able to do with the right support. Reablement focuses on client goals and offers time-limited interventions to support the client to resume activities and adapt to functional loss. It can include re-training, re-learning of lost skills, home modification and increased access to equipment and technology. Restorative care delivers early-stage intervention to facilitate health improvement after setback and the prevention of injury. It is multi-disciplinary in approach, using allied health therapies and services.

The Commonwealth Department of Health is currently block funding service providers of the CHSP until 30 June 2020, with new funding conditions and reporting requirements being developed by the department for implementation from 1 July 2018.

Home Care Packages

The Home Care Packages Program was set up for the provision of ongoing help with day-to-day activities for older people with more complex needs who still desire to stay in their homes and communities, and 'age in place'. There are four levels of support: Home Care Level 1 for basic care needs; Home Care Level 2 for low care needs; Home Care Level 3 for intermediate needs; and Home Care Level 4 for high care needs. Home care includes: personal services, such as help with showering and mobility; dietary assistance and meal preparation; continence management; mobility equipment and mechanical devices; nursing, allied health and clinical services; transport and shopping assistance; and the management of bandages and dressings. Increasingly, home care will also include digital technology and remote monitoring.

Home Care Packages are funded via individualised funding packages. Clients are assessed, and, once approved, are placed on a national queue until a package becomes available. Approved providers work with clients to choose services that meet their individual care needs. All Home Care Packages require that the consumer be given a Home Care Agreement with a written care plan setting out day-to-day care and an individualised budget that denotes Government subsidies and consumer contributions. Monthly statements must be sent to the client showing available funds and expenditure. Ongoing monitoring of the service delivery continues, to ensure client satisfaction.

Ongoing assessment of CDC

In 2016, the Aged Care Sector Committee produced the *Aged Care Roadmap*, and is currently undertaking a review of the progress made in the aged care sector since the reforms of the Aged Care Reform package was introduced:

Increased consumer choice will be a major change into the future. A fiscally sustainable aged care system that requires consumers to contribute to their care costs where they can afford to do so means that there will be increased consumer expectations for greater choice and control. The ability for consumers to choose who provides care and support will create a more competitive and innovative market (Aged Care Sector Committee, 2016).

Choice and flexibility were, in other words, hallmarks of the new system and are changing consumer expectations and driving the market. Currently, according to the Roadmap, the majority of the one million people receiving aged care services live at home, as is their wish. Current projections state that by 2050 more than 5 million people will access aged care services and the Roadmap recommends a 10 per cent growth in Home Care places over the next 2 years, faster than the current 4 per cent growth in the population of people over 70 years. In 5-7 years, it recommends that the Government uncap supply:

Aged care services and care types are rationed, with Government determining the overall supply and distribution through the use of population-based service provision target ratios (growing from 113 places for every 1000 people aged over 70 years to 125 places by 2012-22) and the allocation of grants. Government has a role in providing assistance to address insufficient market response, through flexible funding streams and capital grants. However, as with the rest of the system, these are limited (Aged Care Sector Committee, 2016).

The 2016 position statement from Leading Age Services Australia (LASA), highlights the need for resources that support consumer decision-making, including digital literacy, and points to some unrecognised costs, such as the need for interpreters for people from culturally and linguistically diverse (CALD) backgrounds. They suggest that CDC 'is still in its early stages and will take some time to be imbedded in practice' (Leading Age Services Australia, 2016). In May 2017, LASA expressed concern about the My Aged Care national queue and recommended the prompt release of information from the Department of Health, as well as the need for a follow-up of consumers issued a package assignment: 'The strategy should seek to provide 'vulnerable' consumers with liaison support during approval, assignment and activation process' (Leading Age Services Australia, 2017). As ongoing reform of CDC continues, one recent change by the government is the engagement of the Older Persons Advocacy Network (OPAN) from 1 July 2017 as a single national provider of the National Aged Care Advocacy Program (NACAP).

Purpose

Evidence coming from recent National Seniors Productive Ageing Forums and member surveys suggest that there is some risk of market failure occurring in the delivery of CDC. Some consumers are experiencing lack of choice, insufficient or non-existent service provision, problems in accessing the My Aged Care gateway, and the need for advocacy and coaching. This study aimed to bring together data collected on the use of Consumer Directed Care (CDC) and community attitudes to it in its early phase, to help facilitate the development of this care option.

A National Seniors member survey was designed to sample older Australian on their knowledge and attitudes towards CDC, their expectations and experiences. Questions were designed to gather data on the use of My Aged Care, satisfaction with the gateway, attitudes to Government control of aged care supply, confidence in the system, consumer contributions and the perceived view of the aged care sector as a consumer-driven market.

This report is intended to contribute to the ongoing assessment of the opportunities and challenges in the provision of CDC. It analyses community attitudes and expectations, and recommends some future considerations based on international movements in aged care, current innovations in active ageing, Australian provider experiences of the system, and the entry into the market of care-on-demand.

DATA AND METHODS

Design

The NSA study reported here was an online survey designed to collect information as part of the National Seniors *Submission to the Aged Care Legislated Review* (National Seniors Australia, 2016). It was a one-off cross-sectional survey, and was conducted by National Seniors CEO, Dagmar Parsons, using a questionnaire to survey National Seniors Australia members over 50 years and over. Questions were designed using the nine key areas within the scope of the Review.

Further to the survey, Productive Ageing Forums were conducted in Katanning, WA, and West Ryde in Sydney, NSW, on 22 and 24 of May 2017 respectively. Detailed comments on policy issues raised were recorded and are incorporated into the discussions in this report.

Data

The survey data analysed in this study was collected online using Survey Monkey as the survey instrument. The survey was conducted between 5 and 9 December 2016.

Participants were asked about their experiences, intentions and attitudes across a range of areas about aged care, including use of the My Aged Care gateway, satisfaction with the information received, ability to choose a provider, government control of aged care places, equitable access of aged care, the importance of flexibility and choice when accessing CDC, confidence in being able to choose a provider, and consumer contributions. A range of questions were used to obtain information from respondents about their demographic and retirement income stream.

Method

A total of 46,000 National Seniors members residing in all states and territories of Australia with an email address were invited to complete the survey. The survey invitation was emailed and contained a link to the survey instrument.

The age breakdown of NSA members as of May 2017, is as follows:

Age (years)	NSA members (%)	Census 2016 (%)
50-59	18.64	37.4
60-69	39.96	31.3
70-79	28.78	19.4
80+	12.62	11.9

Table 1: NSA members compared with 2016 Census data.

Comments were collected from feedback offered by members via email and phone in response to the questionnaire. This is suggestive of the strong desire felt by consumers of aged care to share their experiences. Interviews were conducted with service providers in four states. Their comments provide further context for the analysis of the implementation of CDC in its early phase.

Analysis

A total of 4267 surveys were completed, a response rate of 9%. Cross tabulations were conducted across three age categories: 50-64, 65-74, and 75+, as well as retirement income streams:

- Full pension
- Part pension/part self-funded; and
- Fully self-funded.

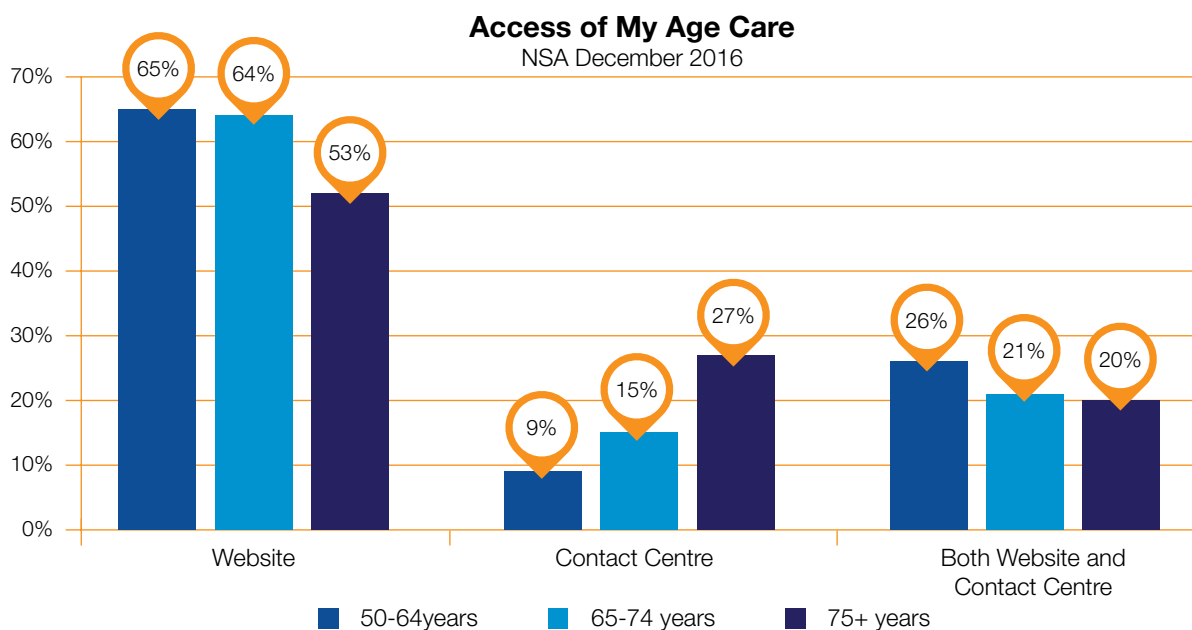
Further analysis was done to compare ratings for the importance of consumer choice in CDC with the respondents' confidence in being able to choose a home care provider that best meets their needs. The software package SPSS was used to analyse the data.

FINDINGS

Access of my Aged Care

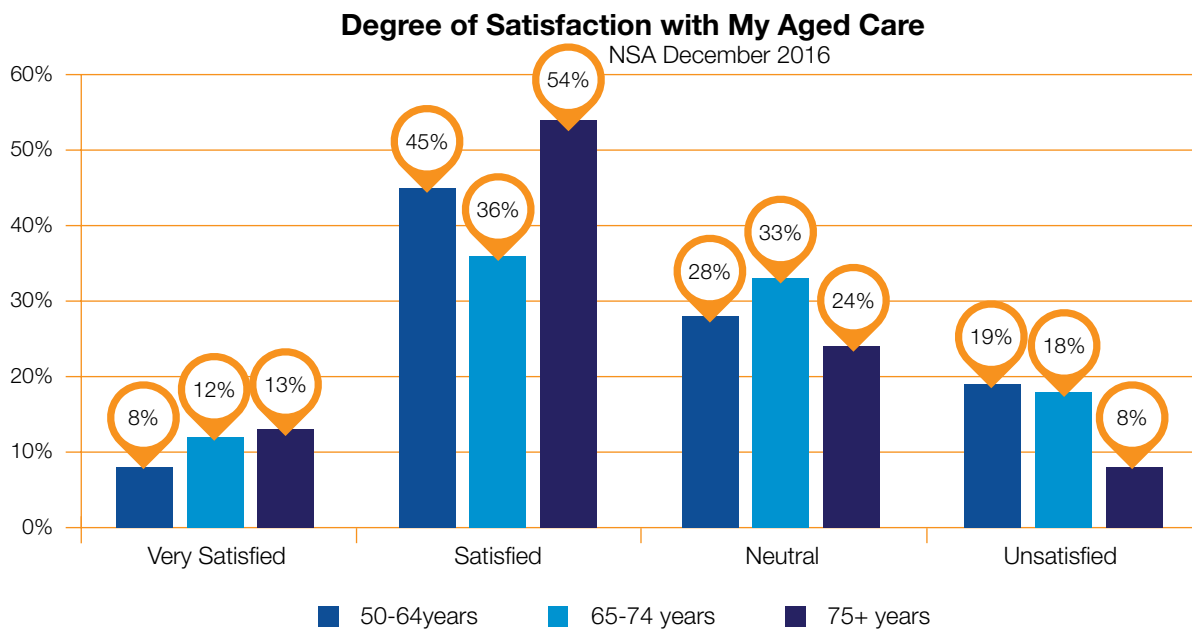
Less than 20 per cent of survey respondents had accessed the My Aged Care gateway across nearly all age groups and types of retirement income streams. Of those, a total of 62 per cent accessed via the website, 15 per cent via the contact centre, and 23 per cent accessed both the website and the contact centre. Of interest, is the way the gateway is used across age groups, with people aged 75 and older having less access online and greater access by phone. A substantial number of people from all age groups make use of both website and contact centre, with one quarter of people aged 50-64 doing so. It is unclear from this data whether the use of both modalities is a positive search for information or trying one after being unsatisfied with the other.

Figure 1: Access of My Aged Care



As is shown in Figure 2, more than half of all people who had accessed the system expressed being very satisfied or satisfied with the experience, while one third felt neutral about it. Slightly less than 20 per cent of all those under 75 were dissatisfied, with only 8.3 per cent of those 75 and older rating their experience of the gateway unsatisfactory. It is not known, as has been suggested elsewhere, whether those over 75 have lower expectations about receiving services, or if someone else is accessing the system and arranging care on their behalf so that, in reality, they have little experience of the gateway (AMR, 2016). The other explanation could relate to the way older people communicate in more formal settings, namely that they are polite and understated so as not to offend. The expressed satisfaction of the gateway through this and other surveys on the My Aged Care rollout is not what is heard from those working in the industry. There are so-called ‘endless horror stories’, with long waits for little result. Agencies and families are doing a lot of the gateway work, and 20 per cent of users are culturally and linguistically diverse (CALD). NSA member comments in our 2017 report, ‘Be Heard: Snapshots from the annual survey, interviews, and forum discussions’, are in line with this view (McCallum & Rees, 2017). As was reported there, it is possible that the interviewees spoken to for that report were those who experienced extreme difficulty with the gateway and our interactions with them were of a crisis nature. Anecdotally, one provider we spoke to said that when asking consumers about use of the gateway, she finds that roughly half say the experience was positive and half say it was negative, as our data also reveals (Figure 2).

Figure 2: Satisfaction with My Aged Care

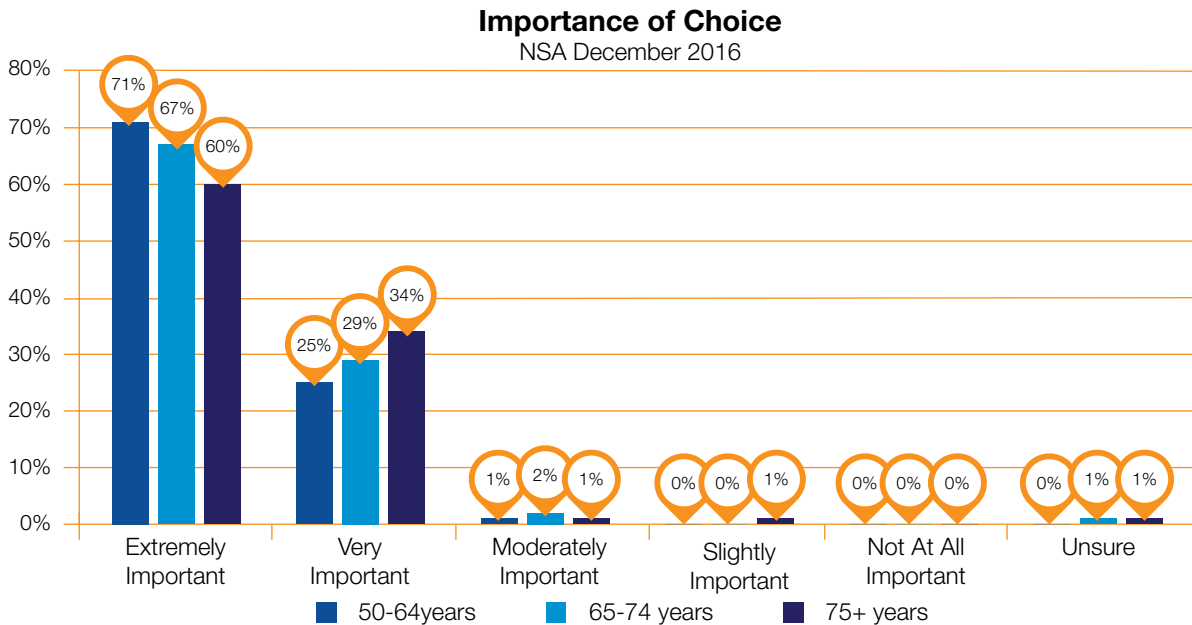


Further questions asked in this study reveal that one third of survey respondents were unsure whether My Aged Care provided enough information to enable decision-making. There is similar uncertainty about government control of the number of aged care places with 40 per cent of those aged 75 and older saying government control should remain in place. However, when asked if aged care places should be based on consumer demand, greater than 80 per cent of all age groups agreed, with 10 per cent unsure. More than 90 per cent of all survey respondents who had accessed aged care were in favour of government control to ensure equitable access of the system. Despite dissatisfaction with consumer contributions voiced by NSA members during qualitative interviews conducted in May 2017 (McCallum & Rees, 2017), this survey showed that more than 70 per cent of all respondents agree in principle that people should contribute to the cost of aged care if they have the means to do so, in line with their capacity to pay. For those older than 75, this figure jumps to 80 per cent.

The importance of choice and consumer confidence

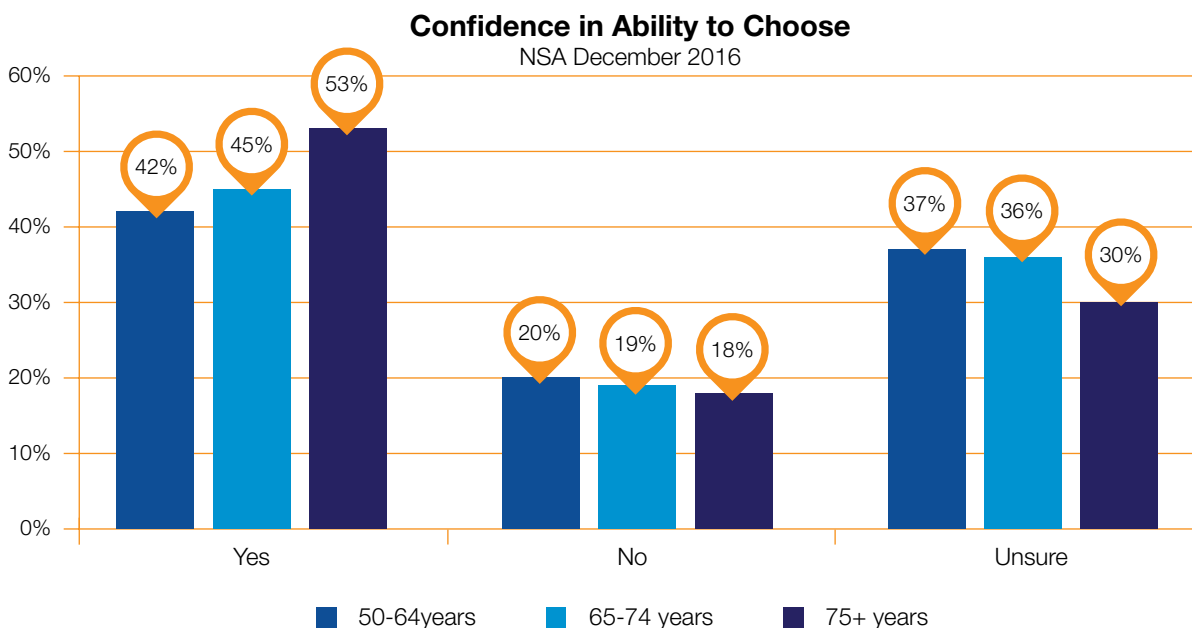
As can be seen in Figure 3, consumer support for choice in home care provision is extremely high, with 95 per cent of all respondents regarding choice as either extremely or very important, although the number of people rating it as extremely important is less by age. Clearly, there is strong consumer sentiment in favour of choice.

Figure 3: *The importance of choice*



When asked how confident they are about the ability to choose a home care provider that best meets their needs, the data reverses direction, with only 42 per cent of those aged 50-64 having confidence in the system. Slightly over half of those aged 75 and older are confident of receiving care of their choice. One fifth express no confidence in being able to choose their home care, despite such a high number of respondents regarding it as important. The numbers who are unsure are high, averaging 35 per cent of all age categories. Because consumers are being expected to direct care, this suggests a troubling level of uncertainty regarding how much choice people are able to exercise in practice.

Figure 4: *Consumer confidence in the ability to choose*



Member feedback about low confidence levels provides context for this data. Consumers have experienced issue with market supply:

'My experience with my mother made me realise that the providers are so stretched that even gaining access and getting on a list for home care was difficult. In the end my mother went into a facility before we could arrange home care support'.

Another area of concern is location, with some regional areas not having enough providers to ensure choice:

'Being in a rural setting I am not sure that I will be able to have choice. In the past, we have not been able to access what we need because we live too far away from a centre'.

This is backed up by a regional aged care manager overseeing Aged Care Assessment Teams (ACAT), who says that some people in rural and remote areas struggle to access a provider at all, or there is only one provider that has a monopoly on service provision and therefore fee setting. Because costs are unregulated and set by providers themselves, rural and remote consumers are charged high administration fees and then find a large proportion of their budget goes towards provider travel costs. While travel costs are real, one of the effects of transparent fees is that good providers are reducing travel costs by mapping least distance routes between clients. These are persistent issues in aged care systems for regional areas. Japan, for example, had significant market failure in rural and remote areas in the early phases of implementation of long-term care insurance (Hardy, 2008). According to one National Seniors member:

'Since Consumer Directed Care was implemented, some service providers have doubled their administration fees to their clients, meaning less money available for the client's care . . . There is a lot of work needed yet at grass roots level'.

Another member, the carer for his wife who has dementia, said:

'I think that there must be a much better way of delivering Consumer Directed Care without the service provider taking 26% off the top of the Government money for administration ... A better way would be for the government money to be given DIRECTLY to the client so they could employ a full-time carer and get a lot more value from the government money than the clients are now getting'.

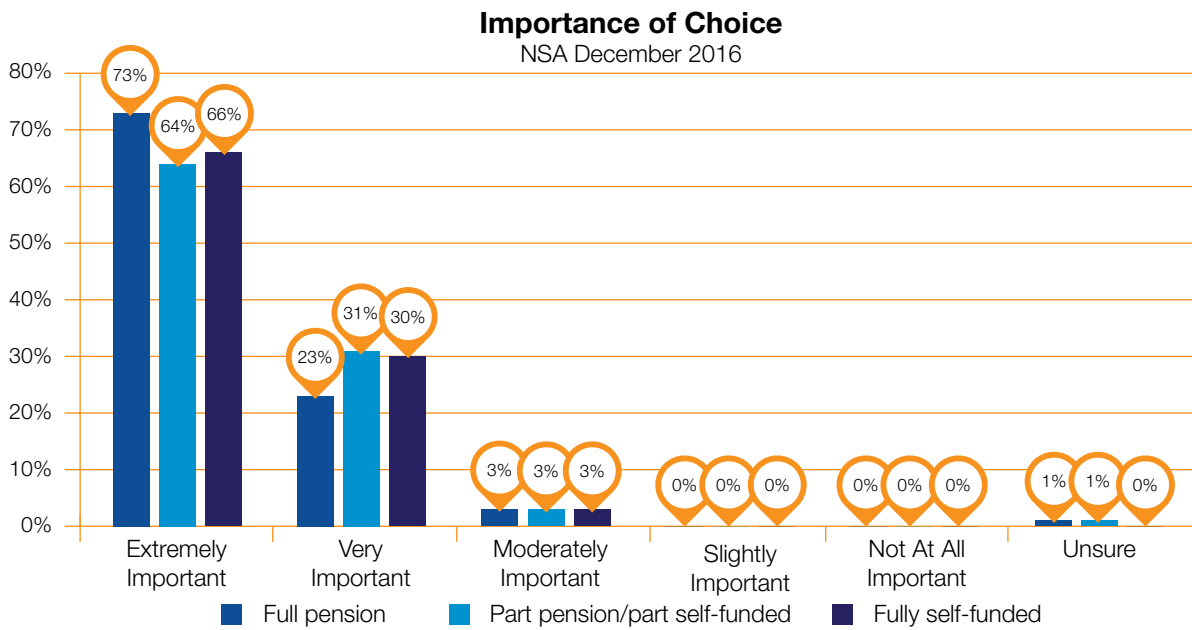
There are also issues for people from CALD backgrounds:

'I need a provider who has workers who speak Polish and who understand my culture and background. There are very few of these organisations around'.

This will remain a challenge with new immigrant, non-English speaking groups beginning to access services. As has been noted, the cost of interpreters for CALD clients was highlighted by Leading Age Services Australia as an unrecognised cost of CDC.

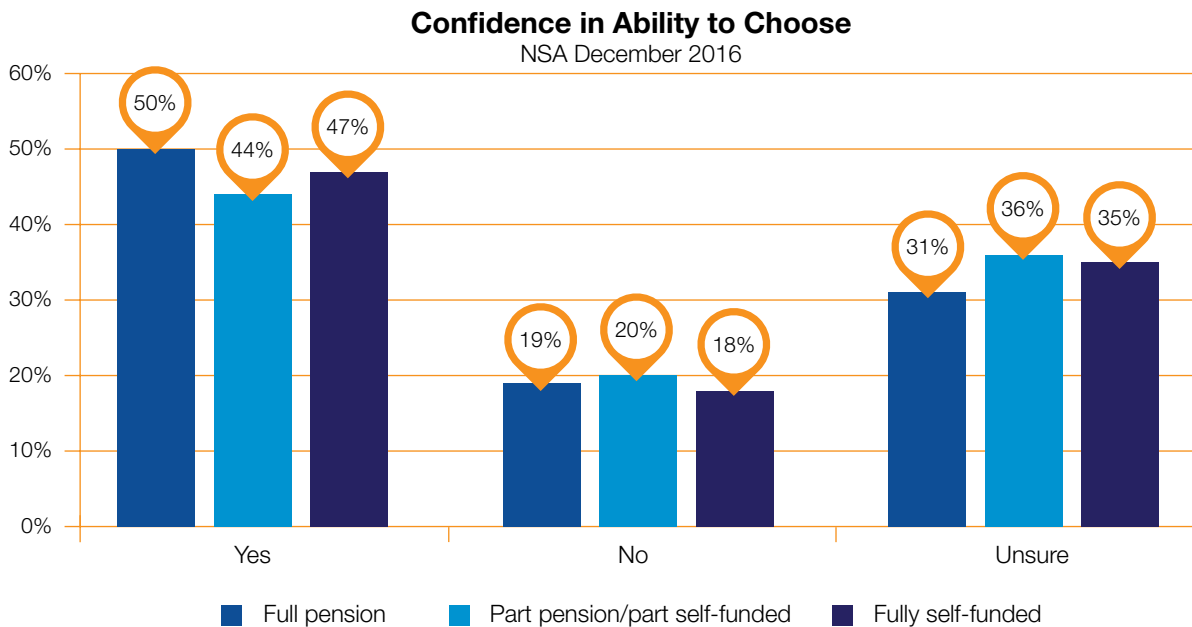
The importance of choice in home care is also high across types of retirement income stream, with those on the full pension rating choice as extremely important at a slightly higher rate.

Figure 5: The importance of choice by retirement income stream



Of those who are either fully or partially self-funded, the rate of uncertainty is 35 per cent, slightly higher than those on the full Age Pension. CDC appears to enable people in the 'safety net' income zone to exercise choice, even though their financial resources are low. The exercise of choice is clearly something of high value to this group of consumers.

Figure 6: Consumer confidence by retirement income stream



Some issues with confidence centre around individual capacity to access the system:

'At this stage of my life I do not need care yet. I cannot say whether I will be confident about my choice when the time comes. I know my aged mother would be baffled and would rely on her children to do this for her. I have no children to undertake this task'.

This concern over future ability for decision-making and access is echoed by another member, who accessed My Aged Care on behalf of her mother:

'It makes me frightened about what will happen to me. I don't have anyone to help when I get old. It's a catastrophe waiting to happen'.

The main issue here, according to a regional aged care manager, is that a market mechanism implies an informed and empowered consumer. She says that the biggest failure of the system is in not addressing the issue of the vulnerability of people accessing aged care. Decisions are made in a time of crisis by a person who may be cognitively impaired, with the support of family members who may not live close by. Service providers are therefore finding themselves doing a lot more case management, with very long calls to clients and their family members. While they are well-placed for this work, it is not resourced. Aged Care Assessment Teams (ACAT) receive funding for each completed assessment, which doesn't include advocacy and support. An aged care manager interviewed, for example, spent more than 4 hours calling service providers on behalf of one client who'd been assessed, with another staff member taking 3 pages of case notes. It was pointed out that none of this work is funded. There is also no fee for care coordination for entry-level care, such as that provided by Home and Community Care (HACC) in some states, and yet many HACC providers are currently doing a high level of care coordination.

One suburban, not-for-profit approved aged care provider reiterated this need for advocacy, but said that, while recognising that many providers find advocacy too expensive, the organisation has a long history of community pro bono work and routinely advocates for clients accessing the aged care system, even if it means helping them into a Home Care Package with another provider. They agree that the system is difficult for the vulnerable, the confused, those with cognitive loss and CALD clients, especially if they don't have family members helping them. There is a confidentiality problem for these clients because, to date, service providers, as a company, cannot act as an advocate for a client in their engagement with Regional Assessment Services (RAS) to explain fees. This provider says there are examples of financial 'scamming' of older people who sign up to pay fees they cannot afford. Her organisation also advocates for these people in helping them to understand their consumer rights under CDC and to assist them in transferring to another provider if necessary. This has only been possible since the changes to Home Care Packages that came in on 27 February this year, with the consumer now enabled to leave a provider and take their package with them, and this has worked to improve provider service, in this provider's opinion. Nonetheless, with this power shift, advocates need to empower consumers to be assertive and to understand options available.

Another NSA member expressed a level of stoic self-sufficiency, which some providers say is a common attitude towards applying for home care in Australia:

'I and my wife live comfortably in a rented accommodation without assistance from the Government and the intrusions they demand. I worked and paid my taxes so that the older generation could have their entitlements. There is a limit to that of course: the squandering of general revenue by public servants!'.

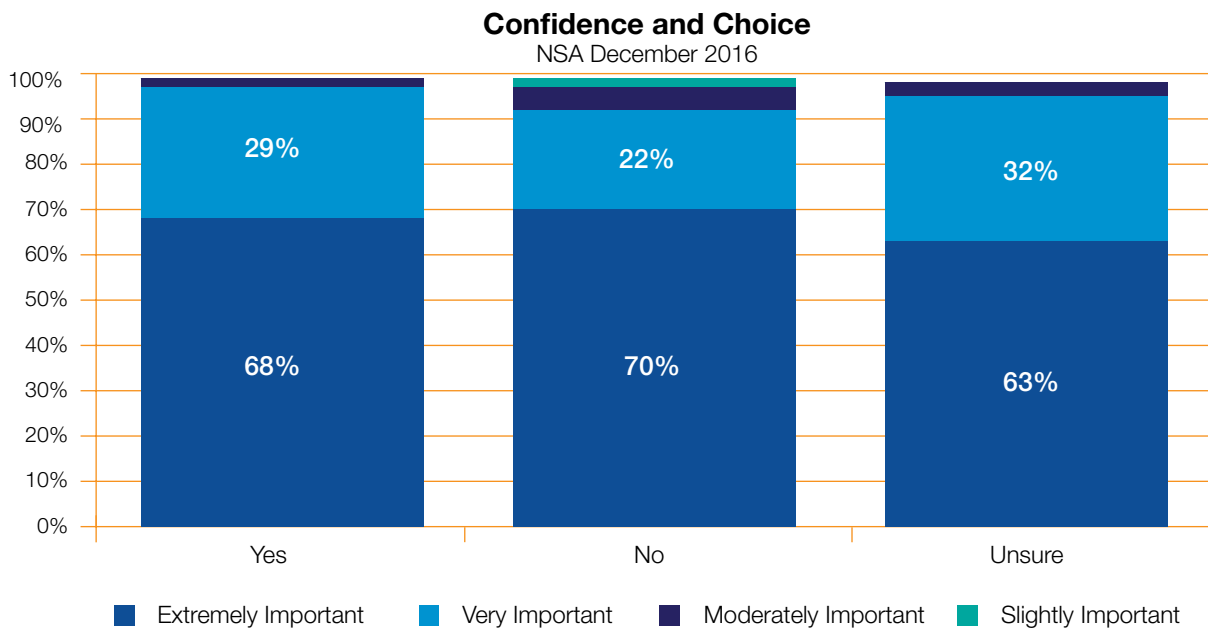
This distrust is based on the perception that government spending is at fault. In fact, many in the industry see a need for greater fee regulation of Home Care Packages. Currently, fees are controlled for both residential and entry-level care, which is bulk funded by the Government for the number and type of service offered. The situation is different for providers of Home Care Packages, with one provider of ACAT assessments calling it ‘the Wild West’ in terms of service and administration fee setting. These fees are made transparent to the consumer, but, again, this assumes that the client is capable of fee negotiation and being their own advocate, when the experience of those on the ground is that care recipients are far from being empowered consumers. One National Seniors member said:

‘I know one person who is considering cutting out a 1 hourly visit each day to reduce costs. He does not know what he is paying for and is too sick to question, or just does not understand the system, but assumes the service provider is doing the right thing’.

It is, however, clearly a step forward in moving towards a more open market with information about service and administration fees transparent to the public when previously they were embedded in the costs of services.

Although there were no major differences in the attitudes of pensioners and those who are self-funded, providers do see major differences in how the system operates for these groups. One suburban provider regarded Level 1 and 2 packages as not at all cost effective for self-funded retirees who pay high co-payments for services. The lower level packages are, by contrast, very effective for pensioners.

Figure 7: Consumer confidence and choice cross tabulation



Finally, as Figure 7 shows, the data collected by NSA reveals that, of those who 'felt confident in their ability to choose', 68 per cent think consumer choice is extremely important. It is worthy of note that these rates were also high for those who were not confident in the system at 70 per cent, and 63 per cent even for those who were unsure that they would be given choice. This is an endorsement of the importance of consumer choice but with a caveat that consumers need coaching and assistance. There is a risk for market failure from the consumer side of the equation, which needs attention if CDC is to succeed. Certainly, CDC is strongly supported by all consumers of aged care, including those with low incomes.

DIRECTIONS

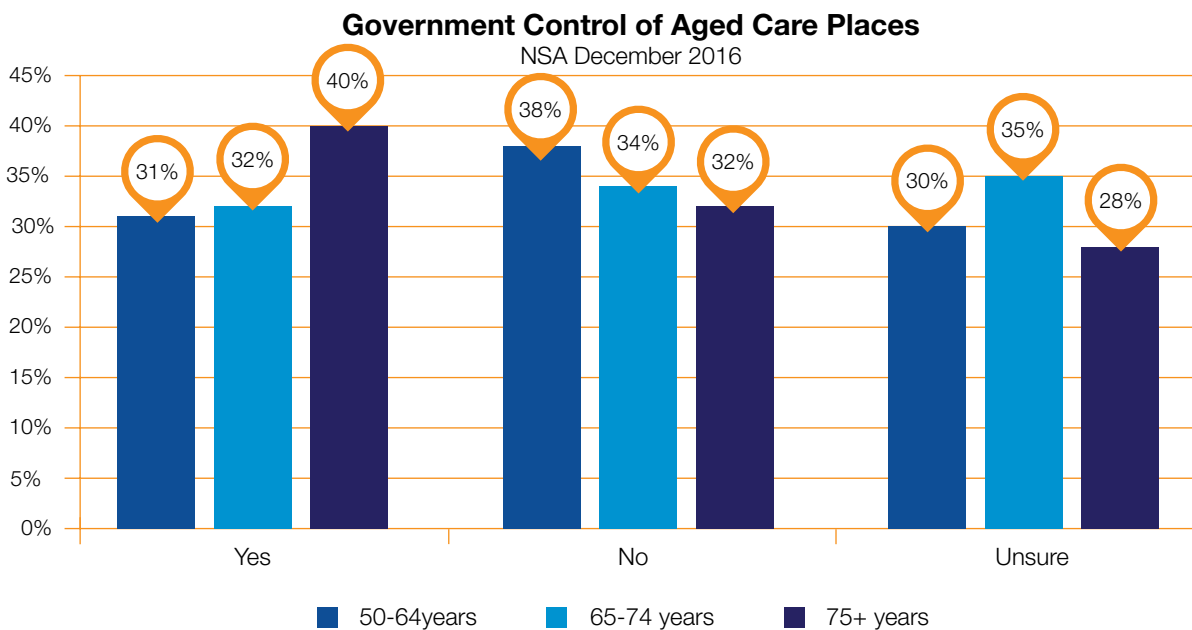
Some current issues and innovations in aged care, both here and internationally, have been researched and are presented alongside the survey findings in order to contribute to a broader vision for Consumer Directed Care, particularly with rapidly expanding technological options becoming available to older Australians.

Issues in the early phase of CDC

The uncapping of supply

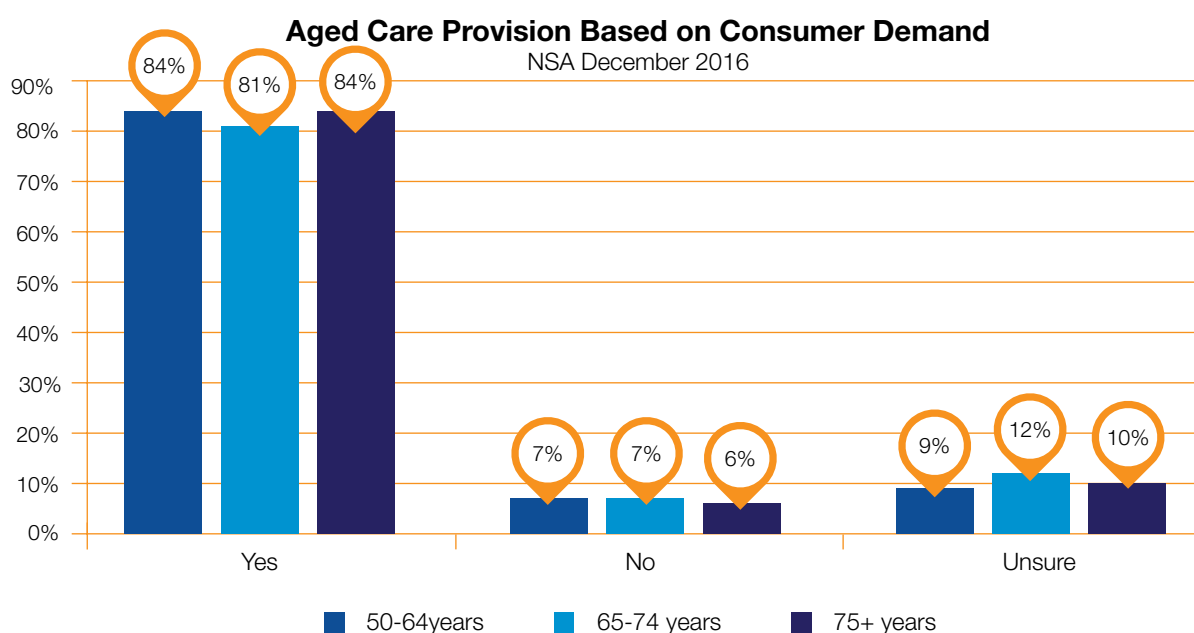
The December survey of NSA reported here inquired into member attitudes to the government capping of supply versus the desire for a consumer-driven market, as mentioned in the findings. The data contained in Figures 8 and 9 make an interesting comparison:

Figure 8: Government control of aged care places



Consumer understanding of the implications of maintaining the Government cap on supply is uncertain, with an even distribution across age groups between those who think the Government should continue to control aged care places, those who think supply should be uncapped, and those who are unsure. As was noted in the introduction, the Aged Care Sector Committee recommends the uncapping of supply due to growth projections required in the industry. Funding changes and increased consumer contributions will likely be needed to fund increased supply due to limits in the ability of the Government to provide funding for more places. The industry will become increasingly market-driven, leading to market strategies and marketing expenses typical of the retail industry.

Figure 9: Aged care provision based on consumer demand



Despite being uncertain about the Government capping of supply, consumers are supportive of the provision of aged care based on demand. What is unclear from the data is the level of consumer understanding of the industry changes that will occur if uncapping is achieved. There will need to be greater understanding of the scale of demand for services and the responsiveness of a mix of private and public providers before this step can be undertaken.

Already, for example, marketing changes in response to the implementation of CDC have been swift:

Figure 10: Aged care advertising

Example of the advertising prompted by the introduction of CDC:

29 January (The Sunday Age, 2017)

Pages 24-34	devoted to "Senior Living" advertisements related to CDC opportunities
Page 24	Linkage Care – 'I hate putting Mum into a nursing home'
Page 25	Australian Unity – Rathdowne Residences Carlton
Page 26	Regis Home Care – 'Live life on your terms'
Page 27	Unity Care – 'Providing aged care in a unique environment'
Page 28	COTA – 'The voice of older Victorians'
Page 29	Victorian Government – 'Keeping Brain Fit'
Page 30	Arcare – Malvern East 'Life Long Learning Discovery'
Page 31	Better Living Home Care – 'Moving your home care package is easy'
Page 32	Living Gems Residential Resorts – 'Live the lifestyle you deserve'
Page 33	Pinnacle Living – 'Retire by the Bay' Bellarine Springs
Page 34	3rd Edition 'Aged Care Who Cares' - Rachel Lane & Noel Whittaker

Choice through accommodation styles

The recent Aged Care Industry Leader's Forum presented by Leading Age Services Australia (LASA) on 1 June 2017, highlighted future directions for CDC, including the provision of more choice to consumers through accommodation styles, care models and service levels as client expectations continue to rise. Funding changes will be required to meet increased consumer needs and expectations, and to ensure the aged care sector remains viable. Providers entering the home care market must embrace Consumer Directed Care, be flexible, adaptive, and market driven (Leading Age Services Australia, 2017). The formation of partnerships and integration of traditional business units between home care and Independent Living Units (ILUs) is an emerging trend in Consumer Directed Care and aged care provision generally.

New arrivals in the market

The introduction of My Aged Care brought new providers into the market and CDC is having the same effect. The aged care provider market is seeing increased competition from new entrants to the aged care sector and the expansion of existing services. One capital city aged care provider of information and entry-level care, for example, applied to become an approved Home Care Package provider to give their clients greater flexibility in moving from the CHSP to a Home Care Package. This is important because in providing CHSP, a client who begins to engage entry-level services more than 3 times each month triggers a review to engage another ACAT assessment to see if a Home Care Package is needed. Service expansion is advantageous for client movement from one service to another. One ACAT assessor has noticed occasional issues with this in practice, calling it supplier driven demand. Increasing a client's care level, on the one hand, has a benign motive prompted by the client exhausting the funds in their package, but also contains an inherent conflict of interest, because higher level packages lead to increased capture of funds by providers.

The entry into the home care market from those outside the traditional provider industry is occurring, particularly in the emergence of online platforms for aged care provision. Some examples NSA was made aware of include Ubercare, Careseekers, Home Care Heroes, Five Good Friends, and Better Caring. Five Good Friends was launched in Brisbane by high-profile Australian Ita Buttrose. Like many of these providers, their website claims that this type of service greatly reduces the administration costs of care. They emphasise that for those with Home Care Packages, consumers are now free to move providers, a change the Government made to encourage competition and foster innovation. The Better Caring website points to the fact that CDC legislation allows 'flexibility, choice and affordability when it comes to making choices about your home care'. It also claims that because consumers access carers directly, 'it has meant accessing double the hours of care from their existing government Home Care Package' (Better Caring, 2017). The Better Caring founders and executive team come from a range of industries outside of the aged care sector, such as financial services and investment advice, technology, digital marketing, hospitality, and education. Their website provides comprehensive information about the changes to CDC since 27 February, 'Your Guide to Getting the Most Out of Your Home Care Package', and many articles on CDC, such as, 'How to change home care providers', and 'How to access double the care with your current package'. They are thus providing a significant amount of information to consumers and they encourage consumer empowerment, telling them, for example, to 'think outside the box!' (Better Caring, 2017).

A suburban approved service provider said that the new online platforms do increase choice for the consumer, and the organisation often helps clients to access these services if their budget allows for it. Despite claims that they lower administration costs, the warning is that online providers can be expensive. It was, however, stated that they have not had any problems with the services provided; the carers are covered by insurance, and have had police record checks and reference checks.

The main drawback to using online platforms is consumer digital literacy. This has been recognised by the Government through the replacement of the Broadband for Seniors program with Digital Literacy for Older Australians. Traditional providers say this is currently a huge impediment to the online platform operation, although this may change within 10 years. One provider pointed out that the early issues with My Aged Care, which was initially only operated online, is evidence of the difficulties for seniors in online service delivery. Users of online care platforms with a care package have their provider pay on their behalf but must still manage timesheets and invoices via their account dashboard. Some online platforms have created apps for account management and seeking carers, including Ubercare and Five Good Friends.

New entrants, such as a non-Commonwealth approved provider, now have the opportunity of deriving revenue from the user-pays market by requiring clients with a Commonwealth entitlement to request the use of their service. Because the approved service provider no longer owns the Home Care Package, they are obliged to manage the package on behalf of non-approved services, if the client demands it. The consequence is that every large provider finds themselves approached by people without an ACAT assessment. Coaching clients in the details of their package, thus, becomes a challenge for providers, who can only recover costs from Commonwealth subsidies and fees. Coaching and advocacy services are not funded, as has been noted elsewhere. This also highlights the importance of traditional religious and charitable organisations in providing aged care from within a culture of service. For advocates of CDC, care-on-demand may prove to be a wasted opportunity for consumers if they are unable to express their true needs.

UBERCARE

Extract from The Advertiser, 28 March

(Castello, 2017)

An Adelaide company has developed what it claims to be a world-first app allowing people to book a qualified care worker at the press of a button - but it has no affiliation with the ride-sharing company with which it shares part of its name.

The idea is the brainchild of prominent South Australian businessman and property developer Simon Chappel who said the current system of booking carers through traditional agency channels was not flexible enough. Ubercare has a database of almost 500 approved and qualified carers who can usually arrive within 15-30 minutes of a request. "Ubercare is the first service of its kind in the world that allows people to find carers at short notice in a similar way that Uber users access a ride," he said. "Ubercare can link with a qualified, insured and police checked carer who will provide affordable personal care when and where you need it."

Once a carer responds to a booking, their picture will pop up on the client's phone showing their rate, estimated time of arrival and a star-rating. "You can either skip or accept the carer and then once confirmed, see them travelling and track their proximity to your home," he said, adding the average charge through Ubercare was \$36 an hour. He said for some clients they may just want someone for a couple of hours to tidy the house, prepare them a meal, or take them to the supermarket.

Mr Chappel said the app will assist in people being able to stay in their home longer and has been launched to coincided with the advent of consumer directed care via the National Disability Insurance Scheme. Ubercare SA manager Renae Sullivan said the app would also help carers seeking extra work. "A lot of aged care workers are saying they are not getting enough work," she said. "It fits in with the government aim to keep everyone in their home and out of institutions," he said.

International systems

International Consumer Directed Care programs with a focus on Long Term Care (LTC) insurance systems were studied carefully in Australia for many years in the lead up to its introduction here, for example, as reported by Ian Hardy in 2008. Such LTC insurance systems are vehicles for enabling consumer-directed decisions for care, because clients know that they contributed the money for their aged care provision over the course of their lives. While funding for aged care in Japan and Germany was from LTC insurance schemes in 2008, the UK and Austria drew funds from general revenue, as is the case here. All four countries had a mix of not-for-profit and private providers. The Israel system is also considered here.

Germany

LTC was introduced in Germany in 1996 and set at 1.7% of gross income. With the population ageing, increasing numbers of care recipients has meant negative net result of revenue since 1999, and reform is ongoing. Home care is provided by professional care providers with three levels of care. The number of providers involved in the market cause problems with quality control of care and quality of management. The German system involves 'matching transfers', such that cash benefits equal in value to that of in-kind transfers can be used for the purchase of care services:

This means that the person receiving a matching transfer is not bound to predefined services but may individually make up his or her own service arrangements. Advice and support is given by a case manager who assists in the allocation of services and the conclusion of contracts (Arntz, Sacchetto, Spermann, Steffes, & Widmaier, 2007).

The enabling of care recipients to choose either direct services or cash allowances effectively means that the German system recognises family caregiving because the cash payments will often be paid to family members providing home care:

Moreover, if a family member provides at least fourteen hours of care a week, long-term care insurance covers that person's social security premiums and respite care for a vacation. One aim is to make the "job" of primary caregiver more attractive relative to regular employments (Campbell, Ikegami, & Gibson, 2010).

Germany provides aged care benefits to 10.5% of its population over age 65.

Japan

Japan introduced LTC insurance in 2000. Care provision fees are centrally set, with assessment undertaken by a Care Manager and two levels of preventative support and five levels of Long Term Care. According to Ian Hardy, choice is inhibited by no provision of cash payments for family caregiving, the competence of the Care Manager who is usually a private operator, and the lack of service providers in some areas. Care Manager fees are covered by insurance, and providers are mostly private entities. As has been found here, there were concerns in Japan about efficient distribution and access of information.

A 2010 study into the Japanese system found that women's groups had argued against the cash payments being made to caregivers, saying that it was the provision of formal services that would ease the caregiving burden, most of which was carried by women (Campbell, Ikegami, & Gibson, 2010). Services thus include: home help, adult day care, respite care, home modification, assistive devices, and visiting nurses. The current pressures from extreme demographic ageing is affecting the ability to maintain quality of care and forcing a rethink of long-term care options, and an energetic waste reduction program. Ageing is being redefined as occurring later in the lifespan than currently recognised, from 75 years of age rather than 65 (Morita, 2017).

Japan provides aged care to 13.5% of its population over age 65. As in Germany, fiscal sustainability is an ongoing challenge to the success of CDC in Japan.

Israel

In Israel, LTC insurance was instituted in 1978. It pays a 'service annuity', not as cash but actual help. Home care is a focus as an effective way to provide care for the rapidly increasing population of older people. Policy is influenced by the major religions and their culture of care and respect for the elderly. Respite care is commonly provided by a network of day care centres to relieve family caregivers. They provide social and recreational care, including meals, transportation and counselling but not medical care. There is also an innovative neighbourhood program that uses a program facilitator to monitor the safety and security of older residents in their home, and minor home repairs. Participants have an emergency call button connected to a central hotline, and the subsidised fee includes a 24-hour medical backup service (Dwolatzky, et al., 2017).

Israel's Long-Term Care Insurance (LTCI) Law was fully implemented in 1988. One of its goals was to reduce the institutionalisation of the elderly. A 1992 study found that the number of elderly people in institutions or awaiting admission had reduced by 25 per cent, revealing that home care services under the new scheme were serving to keep people in their community (Schmid). All community and residential aged care provision in Israel is by private providers. It enables Israel to maintain a very low rate of institutional care residency.

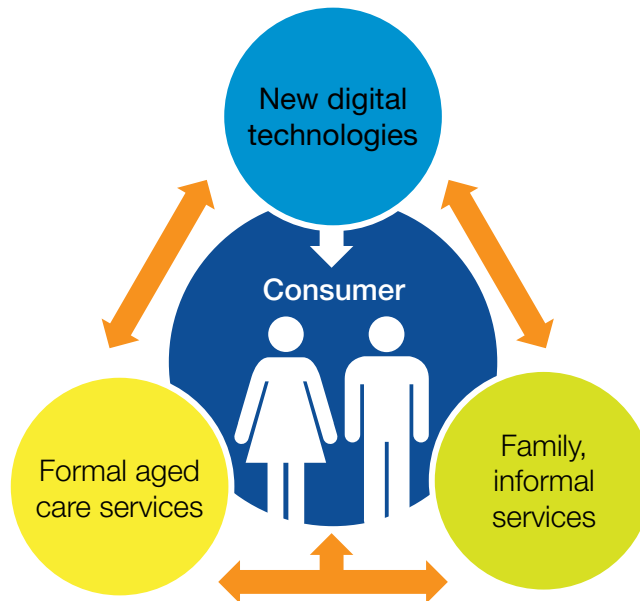
Summary

LTC insurance has become an effective vehicle for consumer choice but this does not imply that it deals with market issues, such as of the types of services available to choose from, and whether intermediaries can be relied upon to help with choice. In LTCI systems, rationing of services with changing needs and budget constraints is complex because consumers have personally contributed. Aged care funding drawn from general revenue does not have the same complexity. The most difficult policy change of all is the withdrawal of benefits that were previously provided. As countries redefine old age by delaying entitlements, these decisions will be more common.

Digital Technologies and Innovation

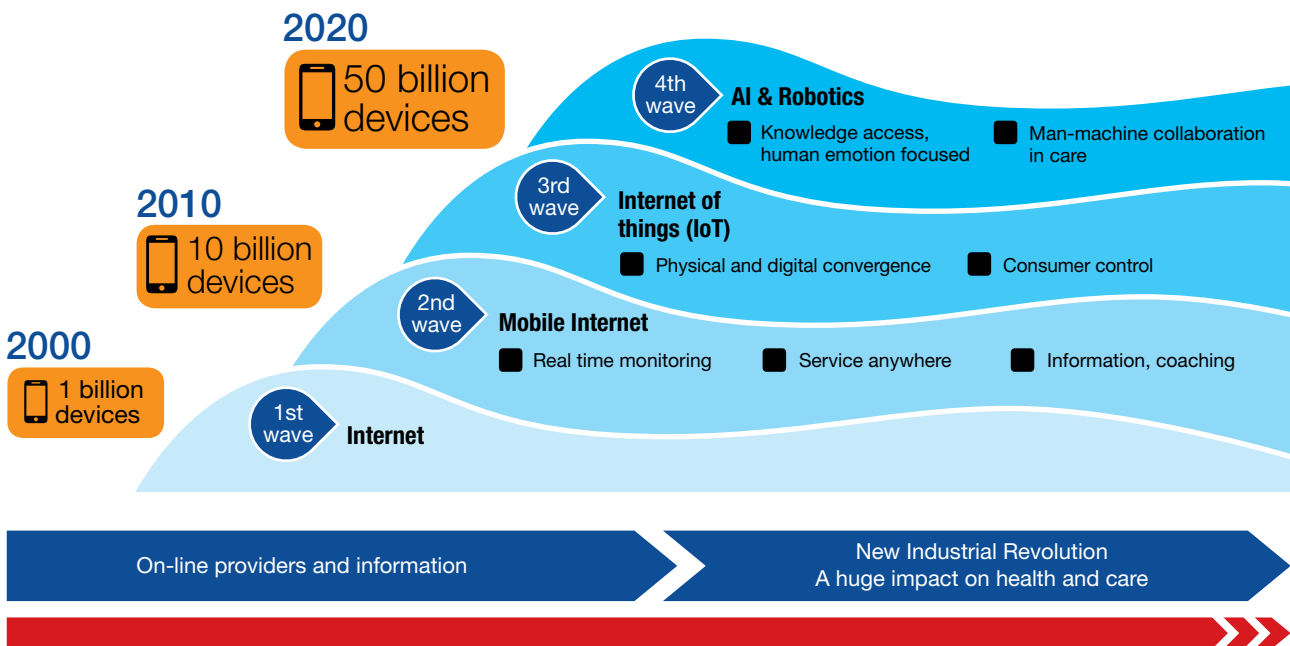
Whereas in the past, formal, informal and family services were in partnership supporting older people, it is now evident that technology is a third player in this partnership (Figure 11). The challenge is to ensure that the three work in harmony and benefit the older person.

Figure 11: *Technology – the new partner in care*¹



Digital technologies are now merging at a fast rate with aged care services and devices. This will be an important strategic element for coping with Australia’s rapidly ageing population and growing service needs. As can be seen below, the so-called third and fourth wave of the digital intersection with industry is occurring, and will increasingly affect aged care service delivery and have consequences for the aged care market (Figure 12).

Figure 12: *Digital Intersection with Aged Care*²



¹ Modified from source (Aged Care Industry Information Technology Council, 2017).

² Modified from source (Fujitsu, 2000-2017).

Recently, the CSIRO called for Australian businesses to become innovative leaders in technology change rather than ‘merely modifying overseas models’ (Masterton, 2017). This involves embracing the fourth wave of digital change, AI and robotics, which will create new types of work. During the first and second wave of technological change involving uptake of the internet and the increase in mobile devices, there was little input from the consumer. This is set to change. CSIRO’s Data61 was created a year ago, to focus on the ‘Fourth Industrial Revolution’. It involves government and industry, and has 27 university partners. One strategy is a ‘wellness’ approach to personalised care, including for the ageing population:

Equipped with real-time health technologies like sensors and wearable devices, today’s health consumers are more empowered and informed than ever. Data is changing the way individuals live and breathe as they take ownership of their own health outcomes. At Data61, we believe the multitude of patient data available can be turbo-charged to provide better personalised information to individuals, health professionals and organisations. We believe we need to transition from late treatment to early detection health, using personalised, predictive and data-driven science (Data61, 2017).

Another example in Australia is the Economic Development Board of South Australia’s ‘Wellness Economy’ project which is using ‘Living Labs’ to co-design new services and products, with designers and manufacturers working directly with older consumers to collaboratively design products that work for them. This will be a key future element of the ageing economy and society and part of the future for CDC, particularly in enabling consumers and seeking efficiencies. Groups such as National Seniors, COTA in South Australia, and others can play an active role in this technological development.

One key consumer issue is creating and legislating standards to prevent poorly designed, unsafe or useless products being sold here. Standards Australia is working through APEC since most products will be international:

The key objective of this project is to identify standardisation and innovation needs of business, government and consumers. Further, we should agree the necessary steps to support and facilitate the development of new products/ services and technology offerings to assist our ageing communities, and grow this new market opportunity – the Silver Economy (APEC Sub-Committee on Standards and Conformance, 2017).

Priority sectors in aged care innovation currently needing standards were identified as: health; building and housing; mobility and transport; information and communications technology; travel, leisure, social and community engagement; and workforce planning, training and employment for older people. Health is regarded as the number one area needing standards, with exponential growth in medical products and services being designed to improve health and quality of life. There is also a suggestion that it would be beneficial if international standard setting by the International Organization for Standardization (ISO) and others have age-friendly requirements, as per the World Health Organization’s (WHO) age-friendly strategy (World Health Organization, 2007).

Varghese says that 'digital' should be viewed as the application of information and technology to raise human performance by improving health, productivity, independence, and quality of life, thereby increasing the lifespan, and he uses the term 'active ageing' to mean this process of optimising and enhancing quality of life as people age:

There is no doubt that technology can help in active ageing, but older people need assistance in learning and using it... Local bodies and governments should provide platforms and incentives for start-ups and corporations to develop innovative, secure, safe and cost-effective solutions for active ageing (Varghese, 2017).

In the 'tech' industry, the dominant approaches to technologies for seniors are in:

- Monitoring
- Health and care assessments
- Interventions
- Communication, consultation and coaching.

These are being actively trialled in illness and disability monitoring, health assessments, telemedicine, and in-home care. The dominant developers are USA, Japan, Europe and China. For example, China is a current major player in GPS, Sensors, P-L-T-S, smart watches and tablets, and smart communities, and is also likely to be the dominant producer of most technologies. Australia is also active, as the South Australian Economic Development Board work shows, and we need to be 'in the play' to keep in touch with this fast-moving field.

There is, further, a need to first move ageing research in the direction of Research and Development and to shift advocacy from a total focus on government to a stronger focus on industry and self-sufficiency using new technologies. Consumers can also play an intelligent role in the future development of Consumer Directed Care and the sector more generally, when efficiencies and options for self-care will be urgently needed.

In contrast to the approach to ageing by technological companies, in Australia there is also a consumer-focused approach to current changes and innovations in the aged care market, based around the following four key areas:

- **Co-invention:**
Engages consumers and service/product developers. This should begin by understanding the situation of older Australians and proposing services and products that address their needs.
- **Develop open-learning and more resilient consumers:**
This is the aim of the South Australian Health and Medical Research Institute (SAHMRI), for example, with the Wellbeing and Resilience Centre developing a proposal to empower consumers.
- **Encouraging start-up companies and entrepreneurs:**
Engage entrepreneurs with aged care businesses and providers. An example is Ageing 2.0, an international alliance supporting innovators to address the challenges of ageing using a collaborative model to 'design with, not for, older people'. Many Ageing 2.0 products and services use technologies that address quality of life rather than monitoring, assessment, intervention, and communication, as outlined above. Another example is the South Australia 'Ageing Well' initiative, which includes a 'co-design' principle and supports infrastructure to assist South Australian aged care businesses into the national and international market.

- **Extract and share the learning:**

In the UK, 'Think Local Act Personal' was designed for this purpose, with a national partnership of 50 organisations with the aim of transforming care through personalisation and community support. There have been implementation issues, although the idea is worthwhile. The ACH Group in South Australia also takes a 'Healthy Ageing' approach to service delivery. Two years ago, they attempted to implement a digital log for all Home Care coordinators with requests and ideas. A market failure occurred when almost nothing was reported.

In June 2017, the Aged Care Industry Information Technology Council (ACIITC) released 'A Technology Roadmap for the Australian Aged Care Sector', with five Destinations and six Value Statements, giving aged care reform a 'technology lens' (Aged Care Industry Information Technology Council, 2017). It is closely aligned with the Aged Care Roadmap, allowing quick references between the five technology Destinations and the corresponding Aged Care Roadmap domain. The five Destinations are:

- **Technology-enabled systems:**

Including an assessment of the aged care system's technological readiness; an implementation plan; and a Department of Health collaboration with the Australian Digital Health Agency to embed technology capability as an essential requirement of aged care delivery.

- **Technology-enabled services:**

Including support of co-design of technology; the development of Smart Homes for older Australians; extension of telehealth and telemedicine programs into aged care; App development; and the establishment of a Technology Initiative Fund for support of provider uptake.

- **Technology-enabled information and access:**

Including a Digital Literacy Strategy; a Technology Awareness Raising Strategy; a Technology Equity Strategy; and ongoing measurement of the impact of digital literacy interventions.

- **Technology-enabled assessment:**

Including a Pilot to trial the embedding of technology expertise in assessment and care planning; the establishment of a Technology Specialists pool; and the training of assessors and clinical care managers.

- **Technology-literate and enabled workforce:**

Including a Workforce Technology Development Strategy; increased online learning; and inclusion of informal carers in paid workforce training.

ACIITC has designed the Technology Roadmap to support 'ageing in place' and CDC:

Technology has a critical role to play in realising this vision of a positive old age – in minimising or delaying the need for formal care services and in shaping the way in which such services are provided ... In an ideal world, such technologies would be developed in collaboration through co-design with these end users. Not only would this ensure user-friendly and fit-for-purpose technology, it will promote seamless integration of technologies into everyday living and service provision, blurring the boundaries between 'care' and 'living' in the process (Aged Care Industry Information Technology Council, 2017).

The ACIITC regards technology as a partner in aged care provision alongside the formal and informal care of older people, and says that aged care utilises technology in two areas, direct care provision (through Assistive Technologies and, increasingly, therapeutic technologies), and communication and business systems. The Technology Roadmap addresses both these areas of technology uptake in aged care.

DISCUSSION

This report presented findings regarding older Australians' use of Consumer Directed Care (CDC) and their attitudes to it in its early phase, as well as service provider experiences across states, and within urban and regional environments, and analysis of emerging innovations and trends, both in Australia and internationally. The findings of this study suggest some issues with the early phase of CDC implementation, and indicate that Australians want the choice and flexibility that the introduction of CDC is designed to offer. It is a serious policy failure if consumers are not able to exercise choice in practice. Early phase issues experienced by both consumers and service providers highlight the risk of market failure in the delivery of CDC. This report is intended to facilitate the development of this care option as an important aged care policy for Australians.

The findings of this study suggest that almost two thirds of Australians accessing the aged care sector are utilising the My Aged Care website but the contact centre remains important, especially for those aged 75 or older. Improved levels of digital literacy have been identified as important for the future of aged care delivery, not only for use of the gateway, but also for the online platforms of care delivery now entering the market. This option has increased consumer choice and filled a gap in the aged care market for care-on-demand. It is clear, however, that many consumers cannot access care online without a significant level of coaching and assistance. This highlights the need for advocacy across the sector. Unlike the Japanese system that funds a Care Manager, advocacy for individual consumers isn't resourced in Australia. Service providers and community and industry groups are experiencing significant increases in requests for assistance in accessing the system, help with choosing the right provider, and the advocacy of the vulnerable, particularly those without family members or who have cognitive impairment. On 1 July 2017, the Commonwealth Department of Health engaged the Older Persons Advocacy Network (OPAN) as a single national provider of the National Aged Care Advocacy Program (NACAP), after receiving submissions from advocacy providers and peak organisations on the need for advocacy services.

This report has highlighted the degree to which older Australians lack confidence that choice will be available to them. One reason for this appears to be the experiences of people in rural or remote areas where there are few providers and travel and administration fees are using up a large portion of the Home Care budget. The fact that this has only become transparent through CDC doesn't diminish the problem. By contrast, an urban provider interviewed for this study sees that CDC is working and has given choice back to the consumer. This indicates considerable work is needed before CDC is expanded beyond community care in regional areas. Now that consumers own their package, they are able to exercise their right to choose the care that works for them, however, many consumers need to be encouraged and assisted to do so. Again, those providing this assistance, which can take a great deal of time, are not being remunerated for this work.

Lack of confidence in being able to choose care also results from the difficult transition experienced when moving between care types. Providers notice a reticence in consumers who need to move from CHSP to a Home Care Package. If entry-level care is working for them, some consumers want to stay in the program rather than risk having to navigate the home care system, even when their need for care has significantly increased. Current delays experienced in the national queue are also decreasing consumer confidence in the system. According to a regional ACAT assessor, some consumers are having to accept entry-level care, which can be put in place quickly, until their Home Care Package is assigned. This provider has found that even someone with ACAT approval and assessed as having high priority and needing immediate care may wait for months to have a package assigned. Many providers mentioned their interest in Commonwealth data on waiting times that were published in July.

The Government is currently reviewing the differences in CHSP and the Home Care Packages Program (HCPP) and considering a merger of the services. There are major differences in funding for entry-level services and Home Care Packages, and providers were uncertain about the future of block funding for the CHSP until the funding extension was announced as part of the 2017-18 Federal Budget. Providers are not completely confident in the My Aged Care rollout, though most agreed that CDC is a worthy aim. One service provider

noted the danger that there will be a loss of volunteers through increased use of online care-on-demand as well as through the amalgamation of CHSP and the HCPP. Large networks of volunteers have been built up by many traditional service providers, particularly ones with a background of charitable or religious service who often do a significant amount of *pro bono* work, particularly for entry-level care but also for consumer advocacy. There is a need for more *pro bono* by the major service providers. They are reported as claiming that they do far more in this area than they do. CDC allows such providers to expand their services to give clients more choice and greater advocacy. NSA notes the positive culture of care provided by these traditional service providers and their vulnerability in a changing system. Community-based not-for-profit providers offer a linking and brokering service in the aged care sector, and recognition of their value to the sector is needed.

This study suggests that the consumer is currently uncertain about government control of aged care places, though they support the provision of aged care places being based on consumer demand. This may mean that the consumer wants a market-driven aged care industry as long as the Government is able to ensure equitable access to the system, the focus on consumer choice is maintained and increased, and funding is provided according to the level of need. It is unclear to what extent the consumer of aged care understands the effects of the industry becoming a truly market-driven retail environment, both positive and negative, including the benefits of increased competition on pricing structures and flexible accommodation options, and the degree to which aggressive market strategies may increase financial abuse of the vulnerable.

While providers view CDC as a work in progress, they highlight the responsiveness of My Aged Care in comparison to other government systems. Complaints are being listened to through webinars and focus groups, and feedback is actively sought. While there are reservations from both providers and consumers, My Aged Care is open to hearing the complaints, and tries to get to the core of the issues raised. This report underlines the degree to which consumers and service providers want CDC to succeed in Australia.

This document was reviewed by an Australian aged care professional who worked locally until 2014 and now runs a major assisted living facility in Israel. The criticism that CDC must deal with a consumer who is not always able to direct his or her care was very familiar, and she says that more funding for care coordination and management is required to assist people in making better informed choice. However, she was positive about the Australian system:

The paper drives home to me how incredible the programs in Australia are. It's interesting, because I sit on a few committees, and when my colleagues hear that I am from Australia they get very excited due to the innovative programs Australia has for the elderly. I think the CHSP is brilliant and a great concept (Klahr, 2017).

This is a timely reminder that the introduction of CDC has been a bold and major change to Australian aged care service provision.

The future of CDC in Australia will also be greatly impacted by digital innovations in health monitoring and assessment, interventions, communication, consultation and coaching. Consequently, digital literacy remains a major area for skill development, which is a significant challenge. Health literacy is now effectively digital literacy, and 'services literacy' is moving fast in that direction. NSA recommends greater industry Research and Development in the aged care sector, driven by the needs and abilities of the consumer, and focused on quality of life improvement and increased efforts to develop digital literacy among older Australians.

This report attempts to highlight challenges and opportunities for CDC in Australia. Without a clear picture of what is currently being experienced by consumers, providers, and carers, reform will be difficult. While there are early indications that the introduction of CDC is driving industry change towards the delivery of the right service at the right time, by the right person, in the right place, and at the right price, some question whether new service platforms will, in fact, provide the right service. It is hoped that CDC will also bring about an improvement in quality of life for older Australians. Many involved in the industry fear that the aged care consumer is too vulnerable to drive this market change. If market failure is to be avoided, advocacy of older Australians accessing aged care needs careful consideration and, in the medium-term, digital literacy needs to be developed significantly.

In summary, on behalf of members, National Seniors Australia (NSA) holds the following views on CDC in aged care provision:

- NSA members strongly support choice and flexibility in aged care, and provision based on demand;
- CDC is a major policy initiative in aged care provision in Australia;
- NSA supports CDC and ongoing CDC reform by the government;
- Data collected in this study reveals a risk of market failure in CDC delivery;
- Some consumers are experiencing a lack of choice, insufficient or non-existent service provision, problems accessing the My Aged Care gateway, increased administration costs since CDC implementation, and the need for advocacy and coaching;
- Service providers are currently providing care coordination and advocacy services that are not resourced;
- The aged care recipient is not always an informed and empowered consumer, with many accessing services in a time of crisis;
- A market-driven aged care industry has the potential to increase the supply of aged care services, but may also increase financial abuse of the vulnerable;
- CDC is a work in progress, but the system is responsive, and complaints are being heard;
- Digital innovation is set to massively impact the aged care sector, for which increased levels of digital literacy will be essential;
- NSA supports greater consumer-focused R&D in the aged care sector, centred around quality of life improvement.

The purpose of this report is to support and facilitate this bold, new policy.

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