8 August 2024

Office of the Inspector-General of Aged Care (OIGAC)
PO Box 350
Woden ACT 2606,
Australia

Input to the Office of the Inspector-General of Aged Care

National Seniors Australia (NSA) welcomes the opportunity to provide feedback to the Office of the Inspector-General of Aged Care (OIGAC) to raise awareness of specific systemic issues concerning older Australians within the Aged Care system. In doing so, NSA recognises a new Aged Care Act presents a crucial milestone in the aged care reform process.
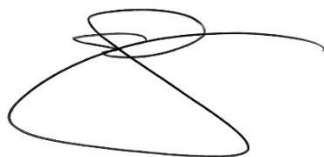
As the peak consumer body representing older Australians, with a community of over 245,000 members and supporters, NSA works to improve the well-being of all older Australians. Over the years, NSA has been actively engaged in aged care reform through our research surveys and by drawing on feedback from older Australians.

NSA supports the adoption of the recommendations of the Royal Commission into Aged Care and Safety and is committed to ensuring the voice of older Australians is heard when implementing these reforms.

One of the Royal Commission's main themes was transparency and accountability. In this vein, NSA believes that a comprehensive review of financial transparency tools, such as the "Dollars for Care" tool on the My Aged Care website, is needed to ensure they are operating effectively as a means to promote transparency and accountability among aged care providers.

This submission raises systemic issues for the Office of Inspector General Aged Care (OIGAC) to consider, including those in its 2024-2025 Work Plan, which will improve the aged care system for older Australians and their families and caregivers.

Yours Sincerely

Chris Grice

Chief Executive Officer

Response to the OIGAC Consultation Questions

What is the issue that you would like to raise for the awareness of the Office of the Inspector-General of Aged Care?

The Australian Government spent $24.8 billion on aged care in 2021-22, and residential care received $14.6 billion.[1] This increased to $20 billion and $16.1 billion, respectively in 2022-23[2] and will increase year-on-year as demand for aged care services increases in line with population. With significant financial resources directed at the aged care sector, there is a need to ensure that funding is being appropriately spent and delivers quality outcomes for aged care residents. This relies, in part, on having adequate systems and tools to promote financial transparency and accountability.

According to Pillar 2 of the OIGAC, one of its key roles is to monitor the implementation and effectiveness of the Royal Commission into Aged Care Quality and Safety recommendations. The Royal Commission's final report recommended that greater transparency and accountability should be embedded in the new aged care system. For example, recommendation 133 called for "more stringent financial reporting requirements"[3]. Strengthening accountability and transparency is critical for good governance of how aged care funding is received and spent while minimising the regulatory burden[4].

National Seniors has long called for greater financial transparency and accountability in the operation of the aged care system. In an earlier submission, NSA highlighted the *"importance of provider and government accountability and transparency in the aged care system. We view strengthening these aspects of aged care as central to ensuring rights, quality and safety for users of aged care and increasing community trust in the system"* [5].

Our call for greater transparency and accountability is anchored in the feedback received from the seniors community. In a recent unpublished NSA survey of approx. 1,200 older Australian seniors were asked to rate their support for various policy recommendations spanning aged care, health, housing, aged pension, etc.

One policy recommendation that survey participants were asked about was the level to which they supported increased financial transparency of aged care providers. This recommendation received the

[1] https://www.health.gov.au/sites/default/files/2024-03/final-report-of-the-aged-care-taskforce_0.pdf
[22] https://www.gen-agedcaredata.gov.au/getmedia/360dc871-b22d-4c10-b66b-e9d914afe70c/Health-and-Aged-Care-ROACA-2022-23_Web.pdf
[3] https://www.royalcommission.gov.au/system/files/2021-03/final-report-recommendations.pdf
[4] Final report of the Aged Care Taskforce (health.gov.au)
[5] https://nationalseniors.com.au/uploads/NSA-submission-AC-Regulation-model-Consult-2-June-2023-FINAL-Website-version.pdf

strongest support of more than 20 policy recommendations (86.8% strong support and 95.6% overall support).

Therefore, it is essential that aged care funding is used transparently and that consumers easily understand information about its use.

The Federal Government's new "Dollars for Care" tool, launched on the My Aged Care website in February 2024, has been designed to allow people to compare individual homes across Australia on critical financial metrics. As announced by the Minister, Dollars for Care will enable older Australians and their families to "see how much-aged care services are spending on their care, food, wages and more".[6]

NSA supports tools, such as these, that provide better public access to information about providers' finances and operations, as the Royal Commission's Final Report highlighted.

The "Dollars for Care" tool aims to empower older individuals, families, and caregivers to make well-informed decisions when identifying a suitable service provider and to highlight if providers are underperforming in their resource allocation. However, the current version of the tool does not adequately fulfil this purpose.

The "Dollars for Care" tool needs to be reviewed to ensure its effectiveness in increasing financial transparency and accountability associated with providers. NSA supports continuous improvement and believes the OIGAC should review of the Dollars for Care tool in its 2024-2025 Workplan as one way to ensure the information provided to older Australians is fit for purpose.

It is important to note that the "Dollars for Care" tool, designed for older Australians and individuals with limited digital literacy, has several usability issues that the OIGAC should investigate. We discuss some examples of these later in this submission.

Do you have a specific question that could be the subject of a report, review or monitoring activity of the office of the Inspector-General of Aged Care?

How effective is the current Dollars for Care tool in enabling older Australians, families, and caregivers to make informed choices?

Does the information presented by the "Dollars for Care" tool encourage providers to improve how they deliver services to older people?

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[6] https://www.health.gov.au/ministers/the-hon-anika-wells-mp/media/increased-aged-care-data-revealed

Why do you consider the issue systemic?

The Royal Commission report emphasised the critical importance of strengthening accountability and transparency for good governance in the aged care sector. Recommendation 27 states that the Government should enhance efforts to ensure more accessible and usable information on aged care. This includes developing a comprehensive provider search function on the My Aged Care website, allowing people to review and compare providers effectively.

NSA commends the Government for developing the "Dollars for Care" platform. The tool responds to the recommendations made in the Final Report of the Royal Commission into Aged Care Quality and Safety, which highlighted the need for better public access to information and transparency about providers' finances and operations.

However, it has significant limitations and is not user-friendly, undermining its effectiveness as a tool to promote transparency and accountability.

Is there any publicly available data or evidence to support your views?

NSA recently performed quality assurance testing to ensure the tool is accessible and user-friendly for its members.

Despite providing a degree of transparency, the current presentation of information is not easily understood, limiting its practical utility for older Australians, their families, and carers and undermining its use as a tool to encourage providers to spend funding appropriately. The information provided should be easy to read and understand so that users can quickly and easily assess if a provider's expenditures on care, food, and wages are adequate.

The information provided by the Dollars for Care tool is difficult to find in the first instance and when located, users must navigate through multiple clicks to compare providers. They must enter the view provider section, select providers, and then go to the compare tab.

This cumbersome process requires users to exit the page to select more providers, making the website challenging to navigate - especially for individuals who lack digital literacy or are under stress while sourcing aged care for their loved ones or older Australians themselves. Many users would also not find it intuitive to look for the "Dollars for Care" tool under a menu heading titled "Finance and Operations".

The presentation of data is also poor. Users are required to interpret data that often requires the user to make calculations to understand the implications of the data.

Research shows that people find colour-coded labelling more straightforward to understand than other systems. Even when the data is presented in ways that preform the calculation, they then have to consider what it means for a category to be a percentage under or over a sector average.

In our view, implementing a Traffic Light System[7] with colour, ratings would help older Australians, their families, and carers compare providers' expenditures more quickly and efficiently.

Expenditure for care and nursing last quarter per resident per day:

	This provider	Sector average ?
Care and nursing total	$228.28	7% above average
Registered Nurses	$50.95	$54.41
Enrolled Nurses	$5.39	$8.93

Figure 1: Example of Dollars for Care information Source: My Aged Care

There is a fundamental question as to whether the information provided is useful to consumers when selecting a provider. Does the comparison to a sector average, for example, make sense, given their individual circumstances?

We would argue that the information currently presented on the Dollars for Care tool does not contribute to a consumer's decision-making process because it is too complex and is highly unintelligible. For example, what does it mean for a consumer if a provider spends 7% above the sector average for care and nursing when spending on another area is lower?

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[7] https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7074546/

The design of this system should prioritise the needs and experiences of its primary users. Simplifying navigation will make it easier for users to find the information quickly. Intuitive colour-coded systems to display results could make the platform more practical and user-friendly.

There is a third innovation that could further enhance the usability of the tool – a performance rating.

Currently, the data is presented with no value judgment, leaving the user to interpret the results themselves. There is nothing in the tool that indicates provider performance in a way that is readily intelligible by consumers – many of whom are making decisions about care in a time of stress or crisis. A performance rating should be established to make it easier for consumers. This rating will assist consumers in identifying low-performing providers and encourage providers to improve.

A simple test has identified each of these improvement ideas. A more in-depth review of the tool could likely identify further enhancements.

To further improve the platform, NSA recommends that the OIGAC undertake a review of the tool in their work plan with a focus on the following areas:

- **User-Friendliness**: Ensure the website is easy to navigate, especially for older Australians and their families, who may be stressed while sourcing aged care.
- **Reliable and Helpful Information**: Provide clear, accurate, and comprehensive information about the aged care system and individual providers.
- **Enhanced Search Functionality**: Develop a robust provider search function that allows users to review and compare providers easily.
- **Performance rating**: Apply a performance rating to the data to make it easier for users to understand if a provider is operating adequately.

By addressing these areas, Government can ensure that its official source contains reliable and helpful information, making the aged care system more transparent and accessible.

While the drive for financial transparency and accountability in the aged care sector aims to improve trust and quality of care, it requires careful planning, adequate resources and continuous stakeholder engagement.

The issue we are raising is rooted in our own assessment of the "Dollars for Care" tool on the My Aged Care Website[8]. A review of the tool should ideally include consumer testing to provide evidence for the OIGAC's recommendations on continuous improvement. We base this on the fact that older people are the primary users of the tool, and that financial information of this nature can be unfamiliar or

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[8] https://www.myagedcare.gov.au/find-a-provider/aged-care-homes/1198307/finance

challenging to interpret. That is why the tool requires constant monitoring and review to identify improvements, involving where possible a level of co-design with consumers.

Do you have any other information you would like the Inspector-General to consider?

NSA has highlighted the Dollars for Care tool as one specific example of the systems in place to support transparency and accountability regarding aged care.

As part of its ongoing work plan, the OIGAC should examine other financial transparency and accountability tools to ensure they are fit for purpose.