

# AGE EDITOR

THOUGHT LEADERSHIP FOR ENERGISING AND INNOVATING  
THE AGED CARE INDUSTRY | WINTER 2018

*The business of aged care:  
financial sustainability  
for our industry*



AGED CARE INDUSTRY ASSOCIATION 2018  
WE VALUE AGED CARE

# Aged Care Leadership

...The Aged Care Industry Association's vision is for an Australian aged care system that provides choice and wellbeing for older Australians.



**BOARD  
CHAIR**

## BOARD Chair

*Chris Stride*

*It was disappointing to see the Federal Budget this year fail to provide a response to the growing pressures on our industry.*

*Aged care providers are facing ongoing funding reductions, increased regulatory action, and ever-increasing expectations from our consumers.*

*After dropping many hints that the Budget would include moves to correct this problem, aged care providers were left with a net reduction in funding over the forward estimates – including fewer residential places than projected last year.*

*Continued on page 5...*



**ACIA  
CEO**

## ACIA CEO

*Luke Westenberg*

*ACIA's analysis of the Commonwealth Budget highlighted the limited upside and potentially significant challenges for the sector. ACIA was pleased to see plans to levy aged care providers for unannounced visits have been pushed back; the levy would have been yet another burden on our industry. The announcement of new residential places and home care packages was a welcome move to begin to meet demand.*

*The ACAR will open on 2 July for 13,500 residential places. Changes in quality monitoring are coming, with the Australian Aged Care Quality Agency and Aged Care Complaints Commissioner to be combined from 1 January 2019. It is to be hoped these changes will encourage a quality system that applies equally to all providers, to give confidence older Australians are receiving the care they need.*

## NURSING MANAGEMENT ADVISORY SUPPORT GROUP (NMAS)

...a permanent committee of the ACIA Board.



**NMAS  
CHAIR**

## NMAS Chair

*Pru Mounsey*

*A challenging and interesting 12 months ahead as we approach the introduction of unannounced re-accreditation audits, a new set of Aged Care Quality Standards and a transition to the new Aged Care Quality & Safety Commission!*

*While the Government seeks to further strengthen and improve quality assessment processes and care provision, there is no doubt these changes will have a significant impact on the Industry which remains one of the most challenging and regulated environments to work in.*

*Read more on page 7...*

## AGE EDITOR JOURNAL

...thought leadership for energising and innovating. This is our aged care business edition.

**ACIA's Age Editor Journal Magazine introduces thought leadership for energising and innovating aged care through articles and editorial topics which touch our services industry.**

For this Winter edition, we look at the factors affecting financial sustainability of aged care. As with any other organisation, aged care providers need to be financially sustainable. Without a firm financial foundation, it is impossible to provide high-quality care. In aged care, meaningful engagement and partnership with consumers to meet their needs, is a core aspect of sustainability.

We have perspectives from the Luke and Pru to consider, as well as Gwen Stevens, an aged care resident. We consider robots in aged care, new marketplace services, ageism, and again food services systems, further developing on last Edition's food theme.

**If you would like to write an editorial article for this publication, please let us know.**

If you know of someone who is an inspiration to you and others, you can nominate them for a range of awards to acknowledge and celebrate. It may be our own ACIA Awards, or alternatively others surrounding our work.

Charlie Robinson has experience in preparing nominations and a strong track record - she is available to assist in writing nominations.

**To request Charlie's assistance to write your Award nominations, email [enquiry@acia.asn.au](mailto:enquiry@acia.asn.au)**

### Social Media

**Facebook** - search and find us at 'agedcareindustry'



# ACIA Industry Awards

*Don't be shy...*

*let's hear who has excelled, innovated or shown leadership within your organisations!*

ACIA would like to recognise individuals who have made a significant contribution to aged care by the "Aged Care Industry Awards" and all employees of our ACIA Members are eligible for nomination.

## **Nominations are open until 31st July 2018**

This year our Aged Care Industry Dinner and Awards Night will be held on

Friday 31st August 2018  
at the Pullman Adelaide

Individuals and organisations are able to nominate for Awards in the following categories:

**Industry Excellence:** Going above and beyond what is considered general practice to implement process or service improvements for aged care consumers.

**Industry Innovation:** Generating creative innovation with significant positive outcomes in their own field.

**Industry Leadership:** Encouraging others to make a difference to the lives of our elderly Australians.

**Nominations can be made online**  
[www.surveymonkey.com/r/5FWQGW6](http://www.surveymonkey.com/r/5FWQGW6)

Previous finalists and winners are eligible for nomination, with the exception of last year's winners.

For more - or to share this news, please refer to the following website link:

[www.acia.asn.au/news/awards](http://www.acia.asn.au/news/awards)



## **BOARD Chair Update**

*Chris Stride*

*Continued from page 2*

This ongoing pressure on aged care providers has resulted in financial challenges – the December 2017 Stewart Brown survey found that 41% of providers were making a loss.

In this environment, it is troubling to see increasing public attacks on providers for seeking to generate a return on investment. As with any other business, aged care providers need to be financially sustainable.

### **Criticism of providers for supporting the long-term health of their operations is misguided.**

ACIA's concerns are intensified by an emerging focus on private aged care providers.

Private organisations currently supply around 40% of residential aged care places in Australia.

Without the contribution made by private providers, the aged care system could not operate.

ACIA strongly believes the contribution of all providers must be recognised and valued – regardless of ownership type.

ACIA look forward to accepting your inspiring Award nominations again this year. Good luck to all nominees.

### **ACIA Board update**

Since the last edition, Shannon Sanderson has stepped down from the ACIA Board. We thank Shannon for her contribution to ACIA and her support of the aged care industry.

Viv Padman has recently joined ACIA's Board.

Viv has been a stalwart of the aged care industry for many years, and currently operates facilities in both Queensland and South Australia.

We welcome Viv and look forward to his contributions to ACIA's Board.

## **ACIA Statements**

ACIA has continued its program of events, holding a successful Nursing Forum and a Business Management Forum recently.

These events brought together presenters from across Australia to discuss issues affecting aged care providers – a great opportunity to keep up to date.

ACIA's work is to encourage a legislative and regulatory environment, which supports high standards and long-term viability for the aged care industry as a whole.

ACIA's membership includes both direct care providers and organisations who support and supply direct care providers.

We are constantly seeking to develop our existing services as well as add new services where appropriate.

### **We are here for you.**

Office Address:

Unit 5, 259 Glen Osmond Road, FREWVILLE SA 5063

[www.acia.asn.au](http://www.acia.asn.au)

Luke Westenberg  
Chief Executive Officer

Email: [ceo@acia.asn.au](mailto:ceo@acia.asn.au)

Kym D'Angelo and  
Barbara Graham  
Executive Assistants

Email: [enquiry@acia.asn.au](mailto:enquiry@acia.asn.au)

**Phone: 08 8338 6500**

*'how do we meaningfully engage and partner with consumers to meet their needs?'*

# Clinical personalities

Your NMAS Committee

**Pru Mounsey (Chair)**  
Infin8 Care

Cheryl Edwards – Edenfield Health Care

Florence Padman – Premier Healthcare

Kerry Jachmann – Estia Health

Michelle Toland – Rosha Group

Natalie Allen – Estia Health

Danielle Doorne - Infin8 Care

*Care tip: Orientation for new staff should include your company's customer service views... even simple things like how you greet each other. This is because we are visitors in the residents' home and we should be mindful of noise levels, privacy and dignity and take pride in how we present ourselves in their living environment. A smile goes a long way...*

**Pru Mounsey**

Regional Manager, Infin8 Care

## Pru's perspective

**In preparation for the new Quality Standards, the Quality Agency is finalising guidance material to help service providers both understand and comply with the new Standards and framework in which quality surveyors will be assessing homes.**

While Providers will have a 12-month transition period in which to prepare for the changes, it's important that Senior Management review their Policies and Procedures and ensure all levels of staff are offered education and training to familiarise themselves with the new Standards and understand what impact if any may occur within their role.

The move to unannounced re-accreditation audits hopes to achieve:

- A strengthened focus on care recipients / representatives participation in the audit process including interviewing care recipients prior to and during the site audit;

- Tighter profiling of homes to identify potential care and safety risks;

- Self assessment of performance to be included in the application for re-accreditation

Visit the Quality Agency's website for education available on the new changes including on-line Qassist learning which offers addresses the Legislative requirements for Providers when completing their self-assessment.

In these challenging and changing times it is essential that the Industry both recognises and celebrates the hard work and positive achievements that staff contribute to each day which see improved and quality driven outcomes for care recipients across the country.

The theme for this year's Better Practice Conference is "Living the life I choose" which takes us to the heart of the question,

## **'how do we meaningfully engage and partner with consumers to meet their needs?'**

Please support and encourage your team to nominate and celebrate your achievements big or small. The ACIA Aged Care Industry Awards have opened this month – and I encourage all ACIA members to consider nominating.

A reminder that the NMAS committee is here to provide advice to the ACIA Board on issues related to care management and clinical practice in aged care, including professional nursing standards and guidelines, legislation and government policies which affect these matters.

ACIA believes in the value of good advice and education to support members in their journey through the regulatory changes and challenges in the Industry.

## FROM THE PEG BOARD

### ACIA Education

We encourage you to contact Kym or Barb via enquiry@acia.asn.au to ask for more information about our full calendar of events.

### 2ND ANNUAL PALLIATIVE, AGED AND DEMENTIA CARE FORUM

Date: 3 - 5 July 2018

Location: Melbourne Convention & Exhibition Centre

This forum brings together international care leaders as they discuss the best practices from award winning palliative, aged and dementia care providers.

Unique to this year's event is that this forum comprises of 3 separately bookable events:

Day 1 (Palliative Care)

Day 2 (Aged Care)

Day 3 (Dementia Care).

You can choose to attend the forum dates that are most highly relevant to your needs.

By registering for 3 days, you will receive up to 45% pricing discount.

A Champagne Networking Session for delegates is included and 30+ international thought leaders to share how to re-think, re-design and improve future palliative, aged and dementia care services is expected.

[www.acia.asn.au/course-schedule-events](http://www.acia.asn.au/course-schedule-events)



### UNDERSTANDING THE PAYMENT STATEMENT AND RESIDENT FEES AND SUPPLEMENTS

ATTENTION Finance Managers, Admissions and Administration Teams

Date: Thursday 13 September 2018

Time: 9.30am to 3.30pm - Morning tea and lunch provided

Location: ACIA Training Room - Corner of North Street and Avenue Road, Frewville

Working in the field, to collect data for older Australians, Renee Utting, the Supplement Recovery Manager for Provider Assist, became exposed to the Aged Care industry and decided at that moment this was the industry she wanted to offer her skills to!

**She loves that she has found her place at an organisation where she can use her extensive knowledge to make a positive impact on the lives of older Australians.**

This means she would like to share her knowledge in payments statements to you!

After this education session you will be a payment statement master! You will understand the anatomy of the payment statement and the over 30 supplements and subsidies you may find on there. You'll understand why some of your Residents pay different fees and how to work it all out!

Renee works closely with this complex funding every day. Through mentoring and educating her own team daily, she became a master of Payment Statements and problem solving.

With no question that she cannot find the answer to, Renee uses her extensive knowledge to provide expert advice to clients and colleagues alike.

**To book into this session, we encourage you to contact Kym or Barb via enquiry@acia.asn.au to ask for more information.**



## Luke's Perspective

**When you buy a coffee, or shop for groceries, what do you look for? Is it competitive price? Product quality? Service quality? Or do you first need to ask what is the ownership structure of the business?**

The last question may seem ridiculous, but some commentary on the aged care industry suggests people believe it is relevant to aged care.

The reality is, that aged care providers can be – and should be – judged on their services. If good care is being provided, if residents and their families are happy, that tells you it is a good service. Who owns the facility doesn't matter.

Certainly, if I were looking at aged care for my family, this is what I would be looking for – a facility that has links to the community, where residents are happy, where staff are caring, where management is accessible, where the facility is clean and attractive. I wouldn't be investigating ownership structures!

Across Australia, aged care providers work hard to house, support and care for older Australians. Every day, the sector cares for over 200,000 people – and employs over 200,000 workers. These facilities are both private and not-for-profit – they all work hard.

At the same time, there are some facilities that do not provide the care the community expects. We saw this most shockingly in the State Government-run facility at Oakden, but there have been reports of cases from other states as well.

The Aged Care Industry Association stands for quality in aged care – we do not condone bad practices, and support them being called out. We believe that poor care should not be tolerated – no matter who is providing it. We have highlighted the research on quality monitoring to the Commonwealth Government, supporting effective targeting of regulatory actions.

Suggestions that private providers have a worse record than not-for-profit providers are not only contrary to experience (as of Monday, there was more compliance action against not-for-profit providers in South Australia than against private providers) – they are contrary to the research, and are a distraction from the real issues. Quality of care should be the main focus – not who provides the care.

ACIA aims to promote quality care in a sustainable industry, and an environment in which families and residents can have confidence in care provision. Attacks on private providers have no relevance to care quality, and serve only to distract from the real issues.

**ACIA will continue to press for better understanding of these issues, and will call out misleading or incorrect claims. We stand for aged care.**

-Luke



## INTRODUCING KATHLEEN HAYWOOD

At the start of 2018 we welcomed Kathleen Haywood to Provider Assist, who has joined our South Australian family. Working for a number of years in the Aged Care and Not for Profit sector, she developed lasting relationships to ensure consistent support, care and success for the community before joining us as an Advisor. We've loved having Kathleen's insights into the industry, which she has shared with us here.

### What is your most commonly asked question?

One of the most common questions I get asked is how clients can tell if their ACFI performance is optimal and sustainable. How do I know for sure that I am claiming all our entitlements? It is a great question, and why we always start with the insights that MyVitals can give an organisation. Having the ability to compare your performance against relevant industry benchmarks, and see how you are tracking over time, means that any gaps are highlighted and you can take pro-active actions to improve your income.

### What are the most talked about issues in the industry?

Consumer Directed Care, how will it be implemented into Aged Care and what impact that has on the industry and funding; the changes to the ACFI tool and the new funding instrument; and of course occupancy challenges and the Home Care explosion.

### What do you wish all your clients knew about ACFI?

The understanding of the impact of the cost of waiting. Not only by using our solutions would they receive a Return on Investment (ROI), the ROI would be larger due to the decreased cost of waiting if they act now. It is so important to remember that every day your facility is effectively losing resident funding to which it is entitled, that funding cannot be retrospectively claimed. When clients tell me they are going to do it themselves, I wish they knew that this will cost them – even if their team is skilled.

#### Case Study Facility A\*



ACFI Revenue

↓ \$1.33  
**\$139.03**

From analysis, we believe Facility A's ACFI Revenue average should be \$180 per occupied bed day. This means that Facility A is effectively losing thousands per day.

**Based on a 55 bed facility, the cost of waiting is significant.**

#### Cost of Waiting

Per Day	Per Month
<b>\$2,253.35</b>	<b>\$68,539.40</b>
Per Quarter	Per Year
<b>\$205,618.19</b>	<b>\$822,472.75</b>

\* Example data

### How do you impact residents through your work?

I have a desire to enhance the lives of others, along with wanting businesses and people to thrive. I feel so privileged to be able to work with Provider Assist to make this happen, knowing that the work we do empowers our clients to run optimised, efficient and leveraged businesses. These organisations have a remarkable impact on the older Australians they care for.

# MJA Insight; ageism at heart of aged care policy stagnation

MJA Insight Issue 21 / 4 June 2018; Ageism at heart of aged care policy stagnation

**“SIGNIFICANT ageism” is at the heart of Australia's lack of policy direction on the provision of aged care services in Australia, says a leading geriatrician.**

“[Older] people are not valued by society,” Associate Professor Craig Whitehead, Regional Clinical Director for Rehabilitation, Aged and Palliative Care at the Southern Adelaide Health Service, told MJA InSight in a podcast this week. “That partly drives why [aged care] is not on policy agendas, why universities don't talk about it, why [professional groups don't] necessarily advocate for specialist general practice.

**“As a society, we need to think about why we have ended up with these quality of care issues in residential aged care. We have to start recognising that these older people have intrinsic significant value and that value has to be recognised and acted on.”**

Professor Whitehead's comments came as the MJA published findings that older people living in home-like residential aged care facilities reported a better quality of life and fewer hospitalisations than people living in standard, institutionalised care, which dominates Australia's aged care sector.

The retrospective, cross-sectional analysis reviewed 17 Australian residential aged care facilities (RACFs) in four states. Four facilities provided clustered, domestic models of aged care, and 13 facilities provided standard models of care. All residents in the domestic care facilities had been diagnosed with dementia, whereas 79% of the residents in the standard care had had a dementia diagnosis.

The researchers defined clustered domestic models of care as meeting at least five of the following criteria: small living units with 15 or fewer residents, independently accessible outdoor areas, allocation of care staff to specific living units, meals cooked in units, self-service of meals by residents, and residents' participation in meal preparation.

Facilities not meeting these criteria were defined as standard models of care.

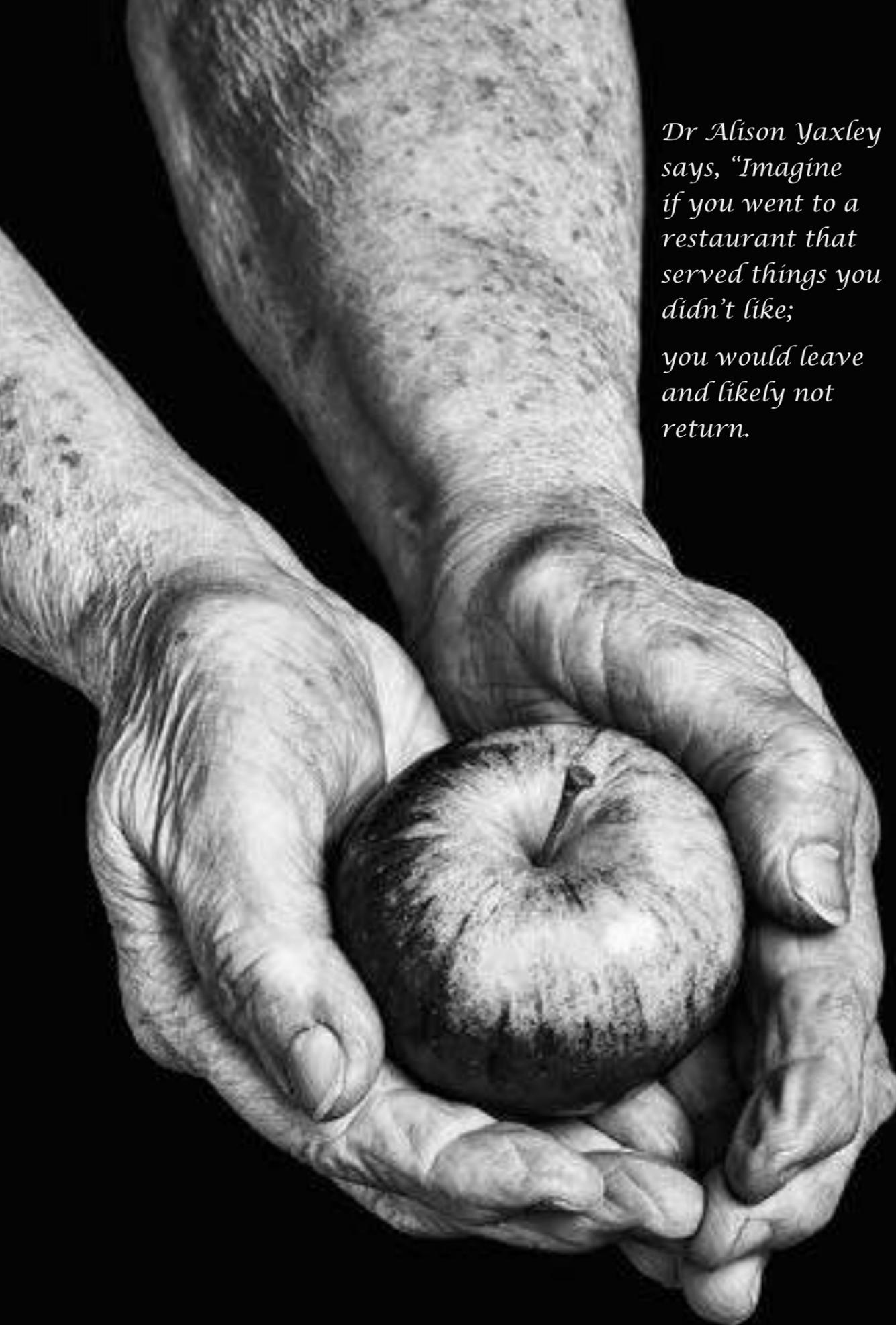
The researchers found that, after adjusting for patient- and facility-level factors, older people residing in smaller, clustered care reported a better quality of life (adjusted mean EuroQol EQ-5D-5L score difference, 0.107; 95% CI, 0.028–0.186). These residents also had fewer hospitalisations (adjusted rate ratio, 0.32; 95% CI, 0.13–0.79), and fewer emergency department presentations (adjusted rate ratio, 0.27; 95% CI, 0.14–0.53).

Adjusted costs were also lower in the clustered domestic model, the researchers reported, with savings of almost \$13 000 per resident. The authors noted, however, that the cross-sectional nature of the study meant that conclusions about the causality of the associations reported could not be drawn.

We welcome you to continue reading this article via MJA's DoctorPortal [www.doctorportal.com.au/mjainsight/2018/21/ageism-at-heart-of-aged-care-policy-stagnation](http://www.doctorportal.com.au/mjainsight/2018/21/ageism-at-heart-of-aged-care-policy-stagnation)

#### What ACIA CEO Luke Westenberg is saying:

**“ACIA welcomes research into models of care and options to improve outcomes for older people. The research highlights the benefits of a diverse ecosystem of providers in allowing different models of care to be offered – supporting choice and quality for older people.**



*Dr Alison Yaxley says, "Imagine if you went to a restaurant that served things you didn't like; you would leave and likely not return."*

## Your food service system: maximising the system to improve outcomes

Dr Alison Yaxley (Lecturer, Nutrition & Dietetics, Flinders University) & Morgan Pankhurst (PhD Candidate, "Food service satisfaction in aged care", Nutrition & Dietetics, Flinders University, ACIA 24 May 2018)

Nutritional health is closely related to overall health, particularly in older adults; everything the body does is powered by food. Without adequate quality and quantity of food the body will use its own stores of fat, and more worryingly, muscle mass.

Globally and in developed countries, average life expectancy increased from about 66 years in 1950 to roughly 78 in 2010, while fertility rates fell. For example, adults 65 and older will account for more than one in five Americans, up from 15% in 2015.

Malnutrition literally means bad nutrition and has an extraordinarily high prevalence of 40-70% in residential aged care. The body changes as a result of ageing so that we lose muscle mass and gain fat mass, and other changes, such as loss of appetite and changes in taste and smell, can result in inadequate intakes of energy and protein leading to malnutrition, which exacerbates those age-related losses. Under-nourished residents are more prone to negative outcomes such as increased acute care admissions and increased dependence, and consequently increased clinical costs.

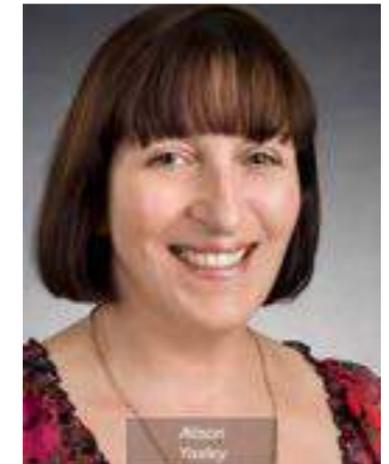
Although a massive problem in aged care malnutrition is not well addressed. Facilities can implement many strategies to increase resident satisfaction and intake with the most important being to adopt a "food first" approach. So develop a menu that offers familiar foods, reflects cultural diversity of residents and meets best practice guidelines in terms of adequacy and variety.

Involve a dietitian in constructing and reviewing the menu on a seasonal basis. Where necessary fortify foods to increase the energy and protein content, particularly texture modified diets, using low cost ingredients such as skim milk powder, butter, cheese and honey.

**Imagine if you went to a restaurant that served things you didn't like; you would leave and likely not return.**

Residents don't have that option therefore satisfaction is key to encouraging intake and should be maximised so involve the residents in the food service. They can help with food production and preparation if they wish, or they may like to contribute favourite recipes to the menu. In terms of practical recommendations, don't skimp on food costs.

Lower food spend is directly related to increased risk of malnutrition in residential aged care. Buy local and seasonal to make the budget go further. Introduce special occasions such as happy hour, high teas or dinner parties to increase variety and social interaction. And remember, the baby boomers are coming! they will be more demanding than current residents and they are more likely to have chronic lifestyle conditions and be overweight but the principle is the same. Maximise your food service system to manage their conditions and minimise your clinical costs.



**In recognition of the importance of satisfaction in this setting and the fact that satisfaction is different things to different stakeholders Morgan is conducting her PhD research in the area of food service satisfaction in residential aged care.**

The ultimate aim is to develop a suite of tools for a range of different stakeholder groups, including residents and nurses/care staff, in order to assess satisfaction and measure change after implementation of interventions to improve satisfaction.

If you would like to be involved in this work please contact either Morgan ([morgan.pankhurst@flinders.edu.au](mailto:morgan.pankhurst@flinders.edu.au)) or Alison ([alison.yaxley@flinders.edu.au](mailto:alison.yaxley@flinders.edu.au)) to register your interest.



## Customer Experience; Gwen Stevens, 84

**It wasn't my choice to live in a nursing home, however an unlucky fall left me unable to care for myself. My daughter researched the available vacancies while I was in hospital, and here I am. It is hard to accept that you can no longer be independent but help is available, you just have to realise it is for the best.**

Once you move into a home you can relax and let people help you; the advantages are many. No matter how good your family is, they can't visit every day and it can be very lonely living on your own however, here in the home, there are always people to talk to and activities to attend. Activities are optional and if you prefer to stay in your own room, the cups of coffee still arrive with a smile.

We have great discussions at the dining table on any and all topics. I have made good friends and wouldn't change it for quids. It isn't home, but it's the next best thing. **-Gwen**

### What others are saying:

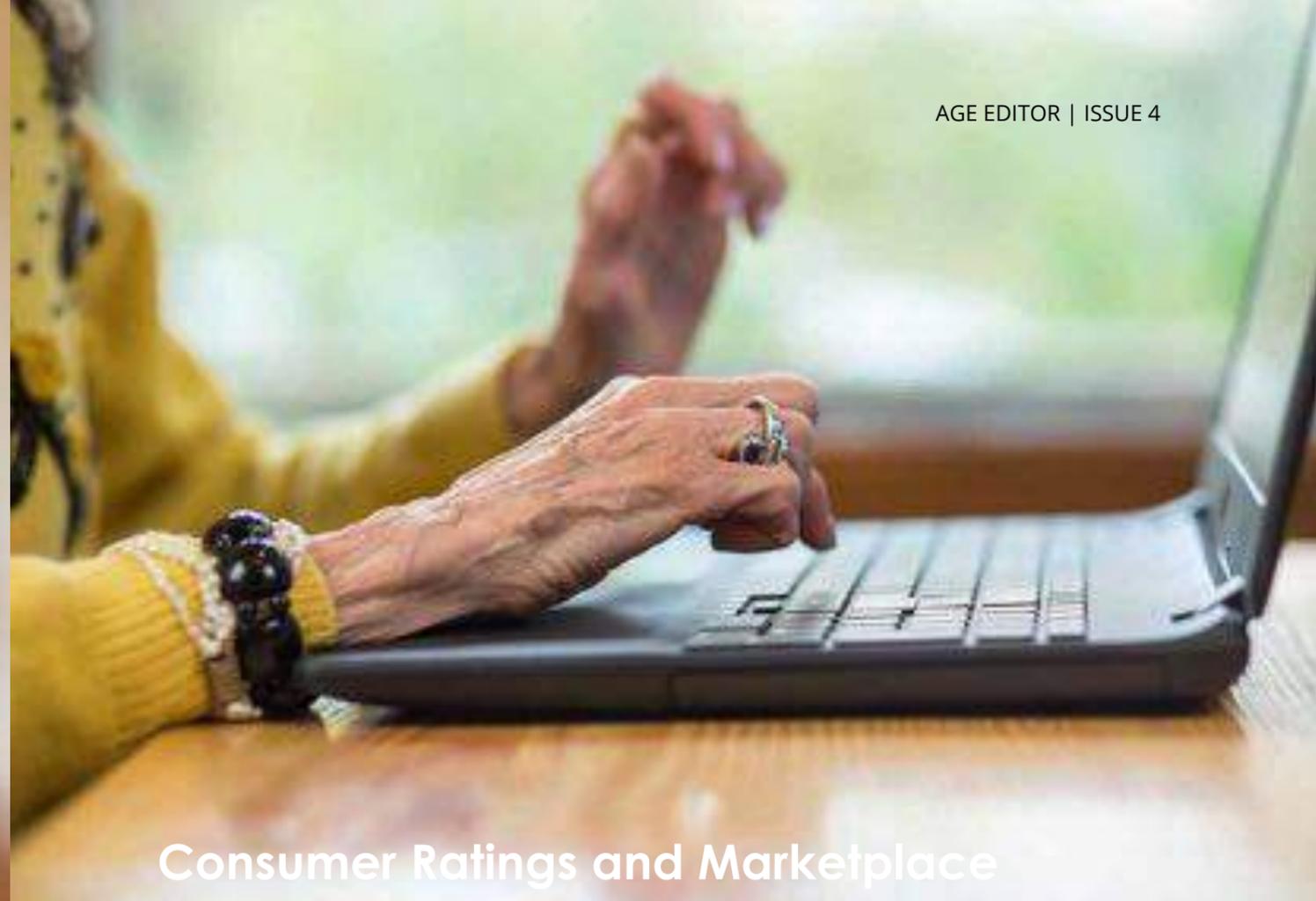
An article titled, **"The deadly truth about loneliness"** says, while it may seem unusual to some to have government take a role in improving our social connections, it makes sense when you consider the negative impact of loneliness not only on the individual, but also the wider community. But with increasing investment from government, how do we ensure programs intended to address loneliness are well-targeted and successful?

The Victorian Government made ageing everyone's business in its report on isolation and loneliness back in January 2016 with a set of six 'building blocks'. They include advocacy in seniors policy and service delivery, the promotion of meaningful roles, value and purpose of seniors as they age, increasing opportunities for seniors, focusing on socially excluded seniors, increasing older people's knowledge of the importance of maintaining and strengthening their levels of social participation and addressing personal mobility and local transport issues.

### What ACIA CEO Luke Westenberg is saying:

The increasing body of research on the importance of social connectedness – and the risks associated with loneliness – highlights the ongoing importance of residential aged care within our aged services system. For many people, as Gwen reports, a move into residential aged care can provide a new lease of life. Residential aged care is an essential care and support service, and a valuable part of the lives of many older Australians.

We have realised and shared practical ways to break down social isolation within the community of a residential home for example, through promotion of Infin8 Care's iPad program which we wrote about in the Autumn 2018 Age Editor.



## Consumer Ratings and Marketplace

**In a time where consumers are more informed than ever when it comes to making decisions about their care, Adelaide-based multiplatform media company, DPS Publishing, is putting its best foot forward for the aged care sector with the introduction of the first ever aged care Marketplace and Consumer Ratings pilot programs.**

The pilot initiatives aim to support the growing and ever-changing industry in increasing accountability, but also to provide seniors and their families more control over their aged care choices.

DPS CEO Mark Ogden says the new, exciting and innovative initiatives are all part of the company's drive to encourage choice and control for consumers, ultimately leading to improved industry outcomes and healthy competition.

"Our research shows aged care consumers are looking for greater transparency when selecting a provider to deliver their required service, and the tried and tested way they do this is through consumer ratings and reviews. We believe the real value comes from creating a dialogue between the consumer and provider, highlighting why it's important for us to help providers understand the overall positive implications for them by engaging with this type of solution.

The new initiatives, which will allow consumers to compare, rate and receive quotes from multiple aged care providers, are an added feature to DPS' trusted **AgedCareGuide.com.au** website.

**This website connects with 1.6 million users each and every year.**

"This means consumers can now proactively research and discover facilities or services that meet their needs and compare multiple facilities or services in one spot, making the emotional process of the aged care journey easier. At the same time, providers can get in touch with their market."

Mr Ogden says DPS has partnered with a number of leading organisations and industry experts - including Care Opinion for Consumer Ratings, and Marketplace IT for the Comparison Marketplace - allowing them to co-design an outcome across both platforms that balances the needs of the business community and the user, adding that both the Marketplace and Consumer ratings encourage an "open and transparent" aged care sector, which he believes is in the best interests of all Australians, consumers and providers.

\*Article provided by **DPS News**.



# The value of a broker in a hardening insurance market



## What to look for in an insurance broker and risk advisor

While there is an abundance of off the shelf products available both via brokers and direct from insurers, getting the right level of cover for your specific risk profile can be difficult.

The expertise of a specialist with a solid understanding of the sector and who will ask the right questions to determine the risks relevant to your business is crucial. A good broker will be able to:

- Customise policy wordings to tailor policies so that they will respond appropriately should you experience a loss.
- Provide claims advocacy and management services to ensure your interests are protected.
- Review your contracts for indemnity and limit of liability provisions and ensure the contracts you enter into align to your insurances.

**The aged care industry is a dynamic market to be in and, based on projections that Australia's older population will double by 2056<sup>(1)</sup>, looks to be a sector only at the start of its boom.**

With the confluence of major regulatory changes, continued consolidation from increased M&A activity, and greater public expectation for increased standards of patient care, the multitude of risks continues to expand.

At the same time, there is also significant change in the insurance market. There are obvious signs that the prolonged period of soft market conditions – that gave easy access to expanded coverage and opportunities for premium discounting - have come to an end. Insurers are no longer able to sustain low premiums across all classes and an attitudinal shift is underway.

In particular, insurance for property and directors and officers (D&O) liability have seen the largest premium increases and, for buyers with a poor claims record, have exposures to expanded polystyrene sandwich panelling (EPS), or that are located in natural disaster zones, the impact is even more severe.

The role of an insurance broker is to negotiate the best possible terms. And with insurers growing ever more reliant on detailed risk management information, the value of a broker has become even more important.

Finally, take care to find out how the broker is remunerated and that there is full transparency of fees without any hidden commissions.

**For help with reviewing your insurance policies and risk management systems, contact Jenny Box from Marsh on 0420 529 412.**

Article provided by Corporate member **Marsh Strategic**

(1) "Older Australia at a glance" - Australian Institute of Health and Welfare, April 2017  
Note; Disclaimer provided. Marsh Pty Ltd (ABN 86 004 651 512, AFSL 238 983)

# Revenue Initiatives – thriving in an uncertain future



**Faced with the ongoing shrinkage of government funding while operating costs continue to rise, it is critical that residential service providers develop alternative revenue streams.**

Three key opportunities should be investigated: Home Care packages, 'Significant Refurbishment' higher accommodation supplements, and Additional Services.

**Home Care packages:** We know that home care is the preferred option for both older people and government funders. Also, there is serious consideration underway to give consumers a portable 'open choice' care voucher which can be used in any aged care setting. While RAC occupancy is declining, home care packages are booming. Home care is a low-cost start-up, and you don't have to compete with the big players if you find your own niche market segment. The key is a sales strategy based on excellent customer relationships, and because packages are portable, people can move to you as their preferred support partner.

**'Significant Refurbishment':** While this is capital revenue not operating, receiving an additional higher accommodation supplement of approximately \$7000 for every supported resident is obviously good news for your EBITDA. The required capital expenditure is modest, the eligibility criteria are fair and reasonable, and the pay-back period can be relatively short.

**Additional Services:** An increasing number of Providers are now charging fees for a range of 'premium' service and amenity add-ons which are in excess of the minimum "specified services" required under the Act. These Additional Services are regulated by the Aged Care Act and Consumer Law (and include an opt in / opt out requirement), and are similar to the type of offerings which were made under the previous Extra Services arrangements.

Article provided by **Greg Adey**

## Greg's advice

Whatever new opportunities you decide to pursue for your business or organisation, it is essential that your primary consideration should be customer value and competitive advantage.

This isn't just about bolstering the bottom line – it's about continuing to position your business as people's first choice in an increasingly competitive and customer-driven market.

Greg Adey

Director

g88 Consulting

0439 201 154

g88consulting@bigpond.com

## Why aged care facilities need robots...

Leonie Mulheran Registered Nurse  
Lamson Healthcare

*To be the best aged care provider and be competitive with spiralling costs and funding changes, the challenge to find that competitive edge is not for the faint hearted.*

**Automated robotic transport in Aged Care will play a significant part in improving efficiencies across the sector over the next 5 to 10 years. Robotic transport in seven Australian hospitals and many more across the world, has given aged care providers insight into the efficiencies now possible. For the first time in aged care, forward thinking organisations such as Micare have seen an opportunity to create similar efficiencies through the implementation of Autonomous Mobile Robots (AMR) into aged care facilities right here in Australia.**

To be the best aged care provider and be competitive with spiralling costs and funding changes, the challenge to find that competitive edge is not for the faint hearted. To find an innovative edge at the same time as providing cost efficiencies has been a big mountain to climb.

With staff expenditure plus future staff shortages, this means we will need to implement major changes to take out the legwork in aged care.

Autonomous mobile robots make it look simple for residents, staff and families but the technical expertise right here in Australia has taken this amazing technology and cleverly adapted it to aged care. On each robot is an 'on board' computer, that is mapped to the facility walls, doors and the wings that it must travel through.

Safety lasers ensure there is 360-degree visibility so it can safely manoeuvre between residents, chairs, visitors or even the much loved pets.

To pick up or send a trolley, staff select a destination from the wall mounted tablet, leave the trolley and continue with their work.

The robot travels to pick up the trolley, latches underneath and takes it to the desired destination, calling the lift, opening doors automatically and communicating to staff once it has reached its destination

The robots can work 24 hours a day and also pick up trolleys on the way back ensuring they are not empty handed. When there are no jobs in the system the robots will automatically return to their charger close to the main service areas.

When planning the building and opening of the new John Scholtes Building at Prins Willem Alexander Village, the benefits of installing automated transport became very clear to Petra Neeleman, the Executive Director of Micare.

"The robots provide great OH & S support for staff who now no longer need to move heavy trolleys around the home, they have more time to spend with residents improving their quality of life, they repay staff time in just over two years and the robots recharge themselves so no one needs to remember to plug them in - what's not to like!"

When Micare reviewed the organisation's staffing methodology, and in particular - 'manual handling of trolleys' as a part of the robotic site survey, the biggest shock was the cost of moving goods 21klms/day from one location to the next.

This can be up to \$3.50 per resident per day for some sites (for Prins Willem Alexander Village estimated this to be around \$197,000 per annum).

When it comes to sustainability, this is the most innovative solution in years and by far the biggest saving in staff hours for the industry in decades.

(Willis 2016, p. 9).

The installation of robots removes non-resident focussed back-breaking manual handling of trolleys and will allow you to reallocate staff hours so your staff can remain in their place of work - so they can do what they do best.

Whether back or shoulder injuries (commonly caused during trolley transportation) occur in the future or have already impacted your bottom line, removing up to 6,000 hours of manually handling trolleys each year will no doubt have an impact on your claims. (Waddington Feather 2017, para. 4)

*Continued on page 20...*

# Why aged care facilities need robots...

Leonie Mulheran Registered Nurse  
Lamson Healthcare

Continued...



## Consider

*Why do aged care facilities need robots... ?*

**The cost of moving goods and services and the prolific double handling of items from trolleys to shelving (from one place to the next or from the dock to the wing) is not managed well in many aged care sites.**

However the introduction of robots gives organisations the ability to streamline internal processes in the kitchen, laundry, care wings, administration and cleaning teams.

Not only will 'just in case' trolley movements disappear but stock management will improve (less stock holding in some cases), transports are organised, staff do not waste time in the halls chatting or losing time at the bottle neck around the lifts (Malcolm Menday 2017, pers. comm. 4 Sept).

Other outcomes are expected such as less back/shoulder strains, greater resident safety and satisfaction, reductions in sick leave and the creation of a desirable work environment that will sustain those you have employed to work longer and reduce staff turnover.

**As an organisation, automated transport must be on the radar whether it be in short term or long-term plans.**

Australian sites using these robots will be able to demonstrate not just the time saved delivering food, linen, supplies, clothing, waste, continence aids and return trolleys but other quality outcomes and improved services.

Carolyn Hale, Aged Care Consultant, Spectrum Care Solutions, in a recent interview pointed out that *"savings that robotics can offer by reducing redundant time such as manual handling and transporting of goods, can only increase the opportunity for more quality of time spent face to face with residents."* (C Hale 2017, pers. comm. 3 July).

This together with tailored and personal programming at each site will create a culture of a community that embraces technology to assist staff to do their job, 24 hours a day, 365 days a year.

It is exciting that an Australian supplier has created the aged care solution, that innovators are implementing the change and is inspiring to think that the rest of the world will follow.

**Return on investment**

Return on investment is fast at around two to four years. The important thing about these smaller autonomous robots is that they can be installed in existing buildings as well as in new builds. Innovation is not just for new sites but can be embraced by all of aged care.

Adaptions such as automated doors, integration with lifts and purchasing compatible trolleys are a must but are all a part of the overall very fast return on investment.

Malcolm Menday, Director Lamson Healthcare (2017, pers. Comm. 4 September) asserts that gaining staff hours by removing trolley movements plus exciting process changes in each service area will enable efficiencies and hence greater satisfaction for residents, staff and families.

There has never been such an exciting efficiency gain for aged care and the impact it can have on your whole business is why aged care needs robots...

*For more information on the results of the robotic surveys, please email [robots@lamson.com.au](mailto:robots@lamson.com.au)*

*Would there be any question that this innovative solution supports sustainability now and into the future, if, in two to three years, you could:*

- *Pay off a robotic system*
- *Remove up to 6,000 hours of manual handling per site/year*
- *Redirect staff time into much needed face to face time with residents reduce damage to walls and doors*
- *Delete the need for costly motorised trolley adaptions*
- *Reduce insurance risks and policy fees*
- *Keep staff longer by taking out manual handling*
- *Overhaul onsite operations*
- *Support your team*
- *Be seen as the innovators in the industry, forging ahead internationally at the forefront of aged care.*

*(Quadagno & Stahl 2003, para. 5).*



ageist EDITORS

## AGEIST LONGEVITY

*Some new numbers on loneliness*

*The health care insurer Cigna released a study stating the vast majority of us in America are considered lonely.*

*How did they arrive at that?*

*Well, the UCLA Loneliness Study Scale classifies "lonely" as anyone who scores above a 43 on a scale from 20 to 80 based on a 20-item questionnaire assessing subjective feelings of loneliness.*

*Study participants as a whole averaged 44.*

*Younger generations indexed higher than the plus 50 generation, and Generation Z (18-22) was classified as the loneliest generation.*

*Granted, as all age segments hovered between 42 and 48, this isn't saying too much.*

*It is interesting, however, that digital natives seem to struggle more with real connection.*

**Our take:** *an intergenerational problem needs an intergenerational solution.*

*We'd like to see more examples of friendships, or workplaces that embrace a cross-generational approach.*

*-Agei.st*

# Nursing and Midwifery Excellence Awards

Dinner Awards Ceremony  
11 May 2018



**The South Australian Nursing and Midwifery Excellence Awards (Awards) recognise and acknowledge the significant contribution that nurses and midwives make to their professions and the wider community through their practice.**

The SA Nursing and Midwifery Excellence Awards were held on Friday, 11 May 2018 at the Adelaide Entertainment Centre.

*\*A snapshot of photos from the evening*

The Awards are open to all nurses, midwives or nursing and midwifery teams working in a speciality area or health care environment.

This includes those working in the public sector, private sector, primary health care, rural and remote, aged care, education, research or private practice who you feel deserve to be recognised for their excellence.

The Aged Care Industry Association encourages Aged Care Provider Organisations to look to their own nurses on staff for inspiration against nomination criteria for future award nominations.  
**Congratulations to the 2018 winners and finalists!**

**The ACIA group at the event, from left to right included;**

- Penny Munn (Estia Health)
- Mel Pagliarulo (St Paul's Lutheran Home)
- Jenny Summerton (St Paul's Lutheran Home)
- Luke Westenberg (ACIA CEO)
- Pru Mounsey (Infin8 Care)
- Danielle Doorne (Infin8 Care)
- Charlie-Helen Robinson (ACIA Age Editor)



## 2018 Humanitarian Award Recipients

Annie Catanzariti, Youth Homelessness, SA

Carol Salmon, Midwifery Education, SA and Cambodia

Lisa Macdonald, Palliative Care, East Timor

Svatka Micik, Cardiac Nursing, Papua New Guinea

Jenny Gardner, Midwifery Education SA, and Cambodia



## Our Front Cover Photo Credit

We would like to thank Louise Bagger for the use of her images from the Awards evening, including the spectacular front cover image from the event.

M 0412 055 668

E [louise@louisebagger.com.au](mailto:louise@louisebagger.com.au)

[www.louisebagger.com.au](http://www.louisebagger.com.au)



# Your partner in crime...

## Risk Management for the Aged Care Industry

"With 50% of Australian business experiencing economic crime, fraud is a major epidemic."



EY, Global Fraud Survey

KPMG's latest six-monthly *Fraud Barometer* shows a large rise in the value of fraud being committed in Australia.

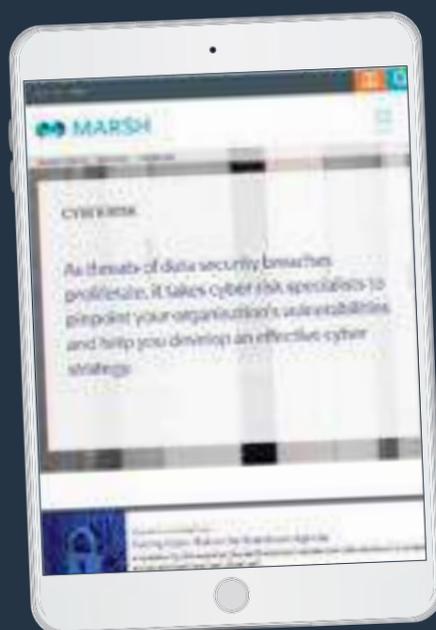
"Healthcare organisations will be the most targeted sector with new, sophisticated attacks emerging."

2017 Fourth Annual Data Breach Industry Forecast



### Did you know?

The *Privacy Amendment (Notifiable Data Breaches) Act 2017* made its way through both houses of Parliament with bipartisan support and received Royal Assent on 22 February 2017. This means that, from 23 February 2018, the *Privacy Act 1988 (Cth)* will include a mandatory data breach notification scheme.



READ our latest cyber insights at

[marsh.com/au/cyber](http://marsh.com/au/cyber)

Jenny Box  
Strategic Risk Executive  
+61 3 9603 2294  
+61 420 529 412  
jenny.box@marsh.com

### NEW RANSOMWARE FAMILIES



The number of ransomware families discovered more than tripled to **101 in 2016**, suggesting more and more attackers are now jumping on the ransomware bandwagon.



2014 30  
2016 101  
Symantec: Internet Security Threat Report ISTR, April 2017 | Volume 22



of Australian organisations have experienced "some form of attempted or successful cyber security compromise" in the 2015/16 financial year.

**84%** of Australian organisations have experienced attempted or successful phishing/social engineering attack.

Australian Cyber Security Centre: 2016 Cyber Security Survey



## Inspiration

ageist EDITORS  
calm tech

**Do we need a sensing, Bluetooth-connected refrigerator or toaster or any number of add-on tech that is being advocated by the enthusiasts of The Internet of Things? No, we don't.**

Amber Case, MIT Research Fellow and author of *Calm Technology*, points out that we don't need a device to sense when our bananas are ripe — they come with a built-in feature for just that purpose: yellow skin.

Adding useless tech to a well-designed, dumb machine not only makes the original machine fallible, it adds new pathways for someone to hack into our homes, complicates our home net, and does zero to improve our lives.

Do you really need to get an alert on your phone to know what is in your fridge?

Just open the door and look.

Time and expense would be better spent making the fridge quieter, longer lasting and more energy efficient.

This era we are in is reminiscent of past eras when wanton adoption of troublesome, invasive tech just for the sake of tech was all the rage.

Having been in engineering school in the mid-70s, I can recall a lot of embarrassing widgets being made just because we could. In both cases, tech was created that consumed a lot of our attention; sort of like the Tamagotchi — they needed constant feeding.

As Amber says, we need devices that make us smart at being human, and allow us to spend more time being human, rather than buying smarter devices that require our constant attention.

Republished from *The Ageist*  
[www.ageist.st/](http://www.ageist.st/)



ageist EDITORS

### ancient history

Many of us have had long, successful careers.

We think that our job history has great value, and it does, but it can also be a pitfall. When speaking to someone about a job, or really in any conversation, the surest way to seem dated is to be speaking about what happened in the long ago past. And in today's world, long ago is not that far away.

As Irma Zandl at *The Opinionator* puts it: "Nothing makes us look as old and out of touch as consistently talking about the past."

Don't talk about things that happened more than 3 years ago — that's ancient history; it's irrelevant." It's true we've lived through a lot — Nixon, the birth of the internet, the tech crash, 9/11...but even something as recent as the great recession of 2008 was 10 years ago.

It may seem like yesterday to us, but to others it's a long ago ancient and probably irrelevant time.

We learn from the past, but it's one of those things that even though we know it's valuable, it may be a better idea to consider your audience before you reference it.

Republished from *The Ageist*  
[www.ageist.st/](http://www.ageist.st/)



## Payroll Tax

### **Commonwealth regulation requires aged care facilities to provide care to the same standard everywhere in Australia.**

The compliance and monitoring framework is the same everywhere in Australia. The fees and charges the Commonwealth allows are the same everywhere in Australia. The regulation and expectations of care are not affected by the size of the facilities, where it is located, or who owns it.

This is as it should be - older Australians should not have their care determined by ownership, size or location of facilities.

However, while aged care providers all face the same regulation, they are not all treated equally. Private operators of aged care facilities and not-for-profit operators face significantly different taxation regimes. Private operators are subject to imposts such as payroll tax and land tax – these can easily add up to a large sum of money every year. Not-for-profit facilities do not pay these taxes.

The question must be asked: why is one class of aged care provider treated differently to another? If all providers must meet the same standards, and receive the same funding, why should some providers be subjected to different taxation? How does this contribute to fair, high-quality care for older Australians?

The Commonwealth Government previously recognised the validity of this point. Payroll tax was transferred from the Commonwealth to the States in 1968. For 47 years, up until 2015, the Commonwealth provided a payroll tax supplement to compensate those aged care providers subject to payroll tax. This was done for reasons of fairness – to ensure a level playing field for all aged care providers.

In 2015, however, the Commonwealth abolished this supplement.

Since 2015, private operators have been subject to payroll taxation that not-for-profit operators do not pay. This has put added pressure on private operators, at a time when the industry as a whole is facing increasing funding pressure.

### **Family-owned businesses with longstanding links to their communities and many years of caring for older Australians are being targeted for taxation that other aged care providers do not pay.**

This can only make it harder for them to continue to offer high-quality care to older Australians, employment to thousands of workers, and support to their communities.

### **The Aged Care Industry Association is saying enough is enough.**

We believe in fair and equitable treatment of the organisations who care for our older people – they should not be seen as an easy revenue target, they should not be the scapegoat for failures by Government, they should be recognised for the work they do and they should be treated equally by Government.

### **The industry – and the community – will recognise the commitment to supporting a strong, diverse aged care industry!**

\*Article by Luke Westenberg, ACIA CEO



## Consumer Ratings and Marketplace

...continued from page 15...

### **The benefits of the Consumer Ratings & Marketplace introduction include:**

- Greater dialogue between the consumer and provider leading to a reduction in formal complaints by up to 50%
- Greater transparency for consumers with protection to providers through moderation and scale (aggregated results)
- A level-playing field for generating cost-effective leads
- Pre-qualified leads; which reduces cost of sale
- Opportunity to pitch to customers in new geographies
- Market-testing of new products; capitalising on consumer habits and feedback to fine tune and expand the business

### **The concept of Marketplace is a positive for providers. No longer are consumers limited to looking in only their neighbourhood. Meaning, it is a great opportunity for Aged Care providers to present their offerings to a larger range of potential consumers who otherwise may not have considered them.**

“By introducing our consumer ratings engine, we hope to create more dialogue between providers and those seeking care, ultimately driving positive change in the industry.” DPS CEO, Mark Ogden says.

“We are excited about replicating the success in the aged care sector that has been achieved through establishing consumer ratings in health, and the review and ratings system that has taken the hotels industry by storm.

“These initiatives have been coming the industry’s way for a long time, and now it is here at scale, we are able to assist consumers and work with providers to maintain the best outcomes for all, while making positive change in the sector.

“We are thrilled to be the ones to bring this exciting change and look forward to working with consumers, peak bodies, and industry providers.”

Currently both pilot projects are available to all providers and consumers via AgedCareGuide.com.au with DPS encouraging all aged care providers to ensure they are participating in the new initiatives by responding to consumer leads and feedback.

\*Article provided by **DPS News**.

In 2016, we were recognised for our passion. For our communications, our advice, for standing up for what matters and the fact our products are tailored specifically for our members. And in 2017 we were recognised again. It's nice to know we're still getting it right.

Chant West Specialist  
Fund of the Year  
2016 & 2017

**back** | **to** | **back**

**hesta.com.au**

