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## Lack of system capability holding sector back

By [Natasha Egan](#) on [February 25, 2015](#) in [Industry](#)



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Paul Ostrowski: "A lot of work to do"

While there is great intent among aged care providers, there is still a lot of work to do, particularly around choice and systems, before consumers will be able to direct their own services, the sector's first major aged care conference of 2015 heard this week.

Echoing [comments made at a forum on CDC](#) in Sydney earlier this month, a show of hands from delegates at the Tri-State Conference on Sunday indicated that very few organisations were fully ready for consumer directed care (CDC), which is set to become standard practice in home care packages from 1 July.

Leading Age Service Australia's Tri-State Conference got underway on Sunday with the panel discussion on the progress of recent and forthcoming reforms.

Paul Ostrowski, the CEO of brokerage home care organisation Care Connect, said there was "good concrete evidence that we have a lot of work to do."

While Care Connect was one of "a number of organisations" which had moved ahead with CDC readiness, Mr Ostrowski named provision of choice and adequate system capability as two areas not up to scratch across the sector.

He relayed a story heard at a recent event on CDC at the University of Adelaide where a consumer advocate said she was unable to choose her own carer or have a carer without a uniform for public outings.

"She felt that although she was supposed to be in the CDC system it certainly wasn't there yet," Mr Ostrowski said.

On systems, Mr Ostrowski referred to findings from a survey the Aged Care IT Industry Council conducted last year, which asked the home care sector about its IT readiness.

The survey found that while over 80 per cent had a system to manage client services and over 90 per cent had a finance system, only 33 per cent had a finance system that talked to their client services system, Mr Ostrowski said.

"Here we are moving into an area where we have to help thousands of people manage thousands of transactions in their personal budgets and we don't even have systems in places for client services to speak with finance," he said.

While there is a lot of intent, there is a great deal of work to do to be ready for 1 July reforms and those likely to follow, Mr Ostrowski said.

"If we think three years down the track, we have already heard the minister say ultimately these packages are going to be detached from organisations and go to the consumers. We need to treat every single month like we are practicing for that ultimate stage."

### Choice and the value proposition

Fellow panelist Derek McMillan, CEO – retirement living at Australian Unity, which provides residential, home care and retirement services, said choice was strongly connected to value proposition.

A key element that came with choice was having to differentiate, as consumers would have to choose between providers, Mr McMillan said.

"We think that CDC is just part of the first step of this path towards having to be more differentiated and really thinking about what your customer value proposition is," he told delegates.

Mr McMillan said while home care was often seen as less sophisticated than residential care, it would surpass residential care in the range of options being offered to consumers.

However, there was also scope for greater choice in residential aged care, Mr McMillan said.

"If we had a much higher budget we would provide a much greater quality range of services," he said.

While providers could not fund those services, clients may wish to, so operators needed to think more about the services they could offer clients at a price, he said.

Mr Ostrowski agreed on the importance of the value proposition and said it would be key for service providers to move forward through the reform process.

He said many organisations were actually reducing choice where they should be aiming for far more concrete differentiation of the value they brought their clients.

Points of differentiation such as excellent service and having the loyalty of the community were common place and too simplistic, he said.

"We have to be able to create very clear differentiation, not just for ourselves and our own survival, but to help consumers make a clear and informed choice about which service they actually want."



Derek McMillan: "CDC first step toward differentiation"

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