## **Residential aged care places**

# **Alternative allocation models**

Overview of the proposed models from the consumer and provider perspectives

## The case for change

What residential aged

care looks like as at 30 June 2018

Limited choice as consumers can only select providers which have an available allocated place.

Administratively burdensome for providers to obtain places through the Aged Care Approvals Round (ACAR) & manage their allocation of places.

Constraints on the market as providers cannot easily build or expand into other geographical areas in response to consumer demand.

### **Design principles**

- Provide opportunities for a more consumer driven market
- Maintain or improve access to residential aged care and residential respite, including in rural, regional & remote areas, thin markets & for vulnerable consumers
- ▶ Facilitate an adaptable and viable sector, with continued growth & financial investment Must be financially sustainable for all stakeholder groups
- Complement future reforms in residential aged care & aged care more broadly

#### Model 1: Improve the ACAR & places management Vacant place Consumer registered with My Aged Care and Consumer finds and selects Approved Provider assessed as eligible for residential aged care with a vacant residential aged care place Places are allocated with: Reduced locational controls on places (with safeguards) ▶ Requirement to reduce non-operational places Improved management of places Places are allocated to Approved Provider applies for new places Provider successful in ACAR in improved ACAR

# ALLOCATED PLACE

246,536 Allocated Residential Aged Care Places 207,142 Operational Residential Aged Care Places

2,695 AGED CARE HOMES

886 APPROVED PROVIDERS

Approximately 16% of the allocated places are not available to consumers due to the aged care home still to commence construction, being under construction or undergoing refurbishment

At 30 June 2018

Denotes location of aged care homes



In 2017-18 Average occupancy rate of 90.3% 241,723

received government subsidised permanent residential aged care

#### Average age on entry: 82 for men; 84.5 for women Average length of stay: 34.6 months

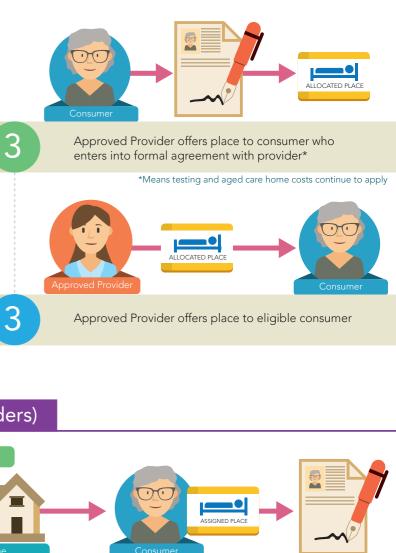
Anecdotally, length of stay has been reducing over the last few years

#### Model 2: Assign residential aged care places to consumers (instead of providers)



who have been assigned places as they can attract and viably provide for





consumer with an assigned place