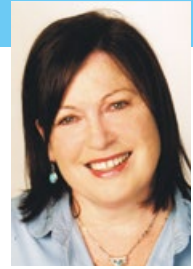




### STRATEGIES FOR SUCCESS with Lorraine Poulos



Lorraine Poulos

# Keeping your head when all around you are losing theirs

“Please Lorraine, can you tell government to stop making changes? We can’t keep up!”

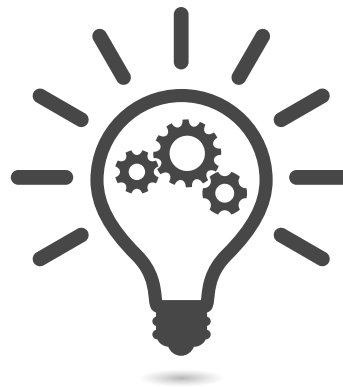
This comment was made by an attendee at a recent seminar I hosted.

Everyone laughed and clapped vigorously. I also laughed and replied that unfortunately I did not have a “telephone to glory”.

We are going through what seems like rapid change in our sector. However, the reforms have been known about for many years and we always knew that market deregulation would throw up challenges for providers.

Let’s review this a little more closely.

- **Contestability of the market** - We need only look at the telecommunications, energy and health insurance sectors to realise that more entrants into a market can mean significant changes. While most providers I work with have been adjusting their models, some are finding the move to a ‘business’ model challenging. Lack of referrals, unethical marketing and price reductions are leading to a significant drop in client numbers for providers.
- **Consumer-centric services** - Some providers are concerned that price is the most important factor when a consumer chooses a service. But often it’s the provider who is prepared, listens, is clear about what they can provide, provides a range of services and has available staff that are reliable and well trained which will be chosen.
- **Compliance** - With the acuity level of consumers increasing there is a greater focus on how providers meet relevant standards and legislative responsibilities. The new Aged Care Quality Standards have a strong emphasis on how providers meet the clinical needs of consumers, particularly, when care is shared with family, other health professionals and consumers.
- **Lack of clarity** - In Home Care Packages there is no operating manual and this has led to confusion. We are seeing some ‘dubious’ spending of home



care subsidies that do not appear to be linked to a care need or goal. Lack of clear guidance from government on what is appropriate spending has led to avoidable complaints, with some consumers viewing the subsidy as an additional lifestyle supplement.

- **Lack of referrals due to high waiting lists** – Government and consumer groups have done an excellent job of promoting MyAgedCare but there are now significant ‘blockages’ in the system. The recent announcement of innovation grants in CHSP is a welcome initiative for providers and it is hoped that it will lead to a more equitable system where those who have ongoing needs can access services, while reablement will let some consumers exit programs.
- **Changes to the pricing model** - It is proposed that HCP providers will not be able to charge a separate administration fee. Many provider models are dependent on this income and the impact of the removal of this fee will be one of the most significant changes since the 2015 and 2017 reforms. This is due to the lack of certainty around income and the struggles many providers will have in meeting their fixed costs such as rent, IT and other fixed overheads.
- **Case Management** - Many consumers have managed their own lives for a very long time and should be encouraged to continue to do so. There are now several excellent ‘self-directed’ models which are

working well. As providers we need to embrace self- management and actively engage with consumers and others about how they can be partners in care. COTA’s Self-Management Toolkit is a great resource for providers to get ideas about how informed consumers may be thinking.

- **Media coverage about unscrupulous providers** - Recently we have seen media coverage about providers in home care who have not met standards and reports of excessive charges. With the Aged Care Royal Commission the reports will only increase and home care providers won’t be immune.

## WHAT STRATEGIES SHOULD WE CONSIDER IN PREPARING FOR THE FUTURE?

1. Undertake a market analysis of your competitors and review your own offerings.
  2. Consider ‘bundling’ of services that are in line with the domains of care outlined in the ACAT guidance framework for HCPs.
  3. Regularly review your clinical care provision and self-audit against the Aged Care Quality Standards.
  4. Undertake an in-depth review of your pricing model and organisational structure.
  5. Have some ‘best case/worst case scenarios’ ie risk management and associated actions.
  6. Ensure your case management model is contemporary and allows consumer engagement.
  7. Have a documented media strategy in place and assess all possible reputation risks.
- Above all don’t panic!

For more information please feel free to email or check out our website. ■

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