



Background

Home Instead Senior Care is a private non-medical provider of home care services to older people. Services include companionship, personal assistance with showering and dressing, meal preparation, light housekeeping, medication reminders, errands and incidental transport. All of these services support an older person to live independently in their own home for as long as possible.

Established in 2005 in Brisbane, this Australian owned company has grown into a network of 14 independently owned offices employing over 1000 CAREGivers delivering many thousands of hours of care services to older people across the country.

The majority of Home Instead's services are performed in private homes. However, for many people "home" may be a leased apartment, independent living facility/retirement village, serviced apartment, or low or high care aged care home. Regardless of where a person lives, the services Home Instead CAREGivers provide maintain health, dignity and support independence.

Home Instead clients choose the services they want and when these services are delivered. They can change these services at any time. Services start from a minimum of 2 hours up to 24 hours, seven days a week and each Home Instead office provides a 24/7 telephone support service for all Home Instead clients and CAREGivers.

Home Instead Senior Care has grown its business through the provision of services directly to 'private' clients, to satisfy an unmet demand by older Australians for quality of services over and above services provided through government funded programmes. Home Instead offices do not receive any government funding through aged care programmes to deliver services. Home Instead clients engage our services directly on a fee for service business model. All Home Instead offices deliver a small quantity of 'brokered' services to clients of government funded organizations. This is an important but small component of the business.

All Home Instead CAREGivers are employees of each office. They are screened, trained and fully insured. Each CAREGiver undertakes a comprehensive in-house training program. CAREGivers are the heart of our business. They range in age from 20 to 75 years old.

Home Instead Senior Care was founded in the USA in 1995 and has developed into a global network of over 850 independently owned companies operating in 15 different countries.

The Problem

The growth of Home Instead Senior Care in Australia over the last five years demonstrates there is a growing unmet demand for quality and reputable in-home assistance to support older people to remain independent and retain their quality of life. That demand will continue to increase as the population steadily ages, placing significant pressure on government finances. As the demand for home care services increase, there will be, and is already, increasing pressure on government to introduce efficient and streamlined methods of funding and delivery mechanisms along with increasing co-payments made by the recipients themselves.

Addressing the challenges of sustainability of home care provision in Australia is therefore not simply about government funded programmes. The challenges will never be met without addressing the entire market for home care services including the non-government funded sector – the private market.

The ageing population has high expectations, and demands a choice of aged care services to suit their individual needs. Home Instead Senior Care recognizes the financial and emotional burdens increasing costs will have on the accessibility of home care and believes that it is absolutely essential to take important steps now to contain the costs of home care services. The failure to keep home care affordable will cause an enormous crisis in Australia in the years to come.

To date, Government has not developed policy or enacted legislation that is favorable to providing affordable home care services to support older Australians, despite common recognition that this is the most cost-effective means of supporting people to retain quality of life as they age, and prevent unnecessary burdens on repeat hospitalizations or premature institutionalization.

It is the position of Home Instead Senior Care Australia that older people, their families, aged care workers, as well as the federal and state governments are the beneficiaries of an affordable and sustainable private home care services sector.

Risks of Increasing Home Care Costs:

Increases Risks to the Elderly

If home care costs continue to increase, so will the reliance on independent contractors, which may increase the risks and uncertainty for an already vulnerable population. Deficient in accountability and standards, independent contractors can easily place vulnerable and frail people at risk of abuse and financial exploitation. While legitimate home care organizations promote the use of important safeguards such as employee screening, training, insurances, and quality assurance programmes, there are no such guarantees where a client or client family directly engages a person on an individual basis.

Loss of State and Commonwealth Revenues

Increasing costs of home care services may drive home care recipients to employ 'underground' workers. Unlike a reputable home care organisation that contributes to payroll taxes, this responsibility will fall on the recipient or family member who contracts with an independent contractor. Due to lack of awareness or intimidation of Social Security rules, independent contractors may be paid "under the table" and state and commonwealth tax revenues are lost.

Barriers to Gainful Employment Opportunities

The baby boomers are reinventing retirement. The Government is encouraging older people to remain in the workforce for as long as possible. This boomer work force is emotionally engaging and socially active, while at the same time searching for the means to financially support themselves. Substantial numbers will be intrinsically motivated to choose employment with home care organisations to fulfill their social interest and enjoyment, not only for the additional income. Older care recipients who receive services from more seasoned workers enjoy a stronger sense of comfort and security. It is a win-win situation but with regulation restricting the amount a retired person can earn, it makes it increasingly difficult to employ this enormous workforce. In addition, attempts to increase barriers to entry into the workforce of mature workers, eg legislated training qualifications, will deter a large number of compassionate mature carers who would otherwise make a significant contribution to the industry.

Development of the private home care market

The community care industry has developed in Australia from the basis of volunteers and through the support and dedication of religious, charitable and not for profit organizations. They have supported many older Australians in their times of need and dominate the home care sector. In 2010 this tradition continues yet many of these providers are now also very large corporations.

In contrast, for profit providers are primarily small businesses and there are perceptions that for profit organizations cannot provide the same quality of care that not for profit providers can achieve; and that the focus of for profit organizations is on generating profits at all costs thus compromising quality.

In our experience the reverse happens. When consumers choose to pay for care services they have a higher expectation about quality and value. They will expect to change these services to suit their individual needs, expect CAREGivers to turn up on time and the organization to be very responsive – 24 hours a day, 7 days a week. If the services do not meet their needs or they are not receiving the quality of care that they require, then they will choose to end the services and find a provider that will meet and deliver care according to their requirements. This is perfectly normal consumer behaviour in a competitive market and leads to improvements in quality and value.

The private home care sector has potential to support the increasing demands for home care services that will be placed on the government as Australia's population ages. Whilst government funded home care programs are a very important part of supporting older people to retain their independence and stay living in their preferred environment for as long as is practical, the Government will not be able to substantially increase funding to this sector without a significant increase in taxes to support the increased funding.

There exists a number of options to support the development of the private home care market to meet the challenges of an ageing population. These are specific challenges affecting sustainability which are not normally encountered in a predominantly government funded marketplace.

To support this emerging sector, the government needs to ensure that home care services remain affordable by exploring the following considerations.

How to keep home care services affordable

GST

The application of GST for private home care providers is inequitable and confusing. Whilst the supply of community care is GST-free for many services which support the daily living activities of the client the following services are NOT GST-free under subsection 38-30(3) of the GST Act;

- Monitoring and applying medication
- Provision of social and community activities, such as companionship or security for clients feeling lonely or vulnerable, or initiating and taking part in craft or reading etc;
- Provision of rehabilitation services
- Home help such as domestic chores, gardening or home maintenance, including making beds and general tidying of living quarters
- Meal preparation
- Provision of travel services and transport assistance
- Grocery shopping;

For example a typical Home Instead client will have a combination of GST free and GST inclusive services and the CAREGiver has to identify the taxable part of the service and apportion appropriate charges to the client. This is onerous for the provider and more importantly focuses the client's attention on measurement and accuracy. This can lead to a reluctance to allow CAREGivers to perform tasks which attract GST.

This application of GST is inconsistent with the increasing age of the Australian population and issues facing them in the future. Home Instead CAREGivers are in a strong position to monitor diet, eating patterns, and prevent social isolation turning into depression, poor health and premature institutionalization, however these services currently attract GST.

Recommendation

- Remove GST from application to any home care services provided to people over 65 years who have been assessed by their GP as requiring support to remain independent in their own home.
- Remove GST from services to clients previously assessed as eligible to receive government funded home care services.

Tax Relief

Reduce the burden upon government services and support families who choose to fund private home care services for their parents.

- Provide tax rebates to family members who pay directly for home care services to family members over 65 years from government approved or private registered home care organizations.

Home Care Insurance

Many clients would like to plan ahead to prepare for their future funding of home care needs.

- We see an opportunity for government to encourage Health Insurance companies to include home care services in their suite of services including the development of long term care insurance policies.

Level Playing Field

Enable private non government funded home care organizations to access programmes eg employee training subsidies which are normally only accessible to government funded organizations.

Maintaining Quality

The development of a strong private home care market providing high quality care requires quality care standards to be put in place to ensure that appropriate risk management and quality services are delivered. Specifically, the government should consider establishment of a private home care register to ensure that private home care providers have:

Client service agreement and liability

It is important as the private home care sector develops that there is a clearly defined service agreement between the client and the service provider so that the legal relationship and the liability for the services to be provided is clear to both parties.

For example Home Instead Senior Care directly employs its CAREGivers and very clearly defines in a signed service agreement with both parties the relationship between the client

and the company Home Instead Senior Care, who retains all responsibility and liability of the care services provided by its CAREGivers.

Training

Private home care organizations should have in place appropriate internal training and development programmes including orientation, safety and home care modules which cover the issues and challenges of caring for an older person.

Quality Care Standards

Private home care organizations should be required to adhere to the same quality care standards required by government funded home care providers to ensure services meet the client's individual needs and have access to appropriate complaints processes if required.

Recommendation

- Establish a private home care service provider register to ensure all providers meet a clear set of standards and have appropriate insurance and staff have appropriate training and police clearance certificates

Consumer Directed Care

Home Instead Senior Care has consistently advocated for clients to have greater choice over the care they receive. We support the concept of consumer directed care and believe clients should be empowered to have a stronger say in how the budgets allocated by government for their care are spent. Our experience of delivering services to private clients and 'brokered' government funded clients clearly demonstrates that when clients have a greater understanding of the cost of services they place a greater value to it and respond accordingly.

We support an assessment process to determine eligibility of government funding to clients and would like to see a stronger focus upon client's care being personalized to meet their specific needs

Recommendations

- Assessment process to determine eligibility of government funding
- Allocate individual budgets to clients to address their needs
- Empower clients to have a say in how the budget is spent
- Remove the inefficient and costly resource intensive tendering process
- Empower clients to select the provider from an approved provider list

Conclusions

The government funded home care system is under pressure. There is currently no incentive for consumers to play a role in relieving this pressure. There are barriers to private home care organizations keeping services affordable. Clients are not empowered. The private sector can play a leadership role in reshaping the care of older people and addressing the needs of the many other stakeholders in developing an efficient effective and client focused industry.